

CHAPTER 12

MONITORING

I. INTRODUCTION.

To fulfill its program management responsibilities, the Department will monitor your grant activities during the term of your contract to ensure you have expended CDBG funds only for the specified purposes, have met federal and state overlay and reporting requirements and have performed the terms of your CDBG contract. Except for planning and technical assistance grants, this monitoring usually involves an on-site review of your grant records and a visit to the activity site(s), as well as routine review of your reports.

II. GRANTEE RESPONSIBILITIES.

You are responsible for carrying out all the terms of your contract, and for maintaining records of your CDBG program activities and making them available to the Department for monitoring purposes. (See Chapter 7, Accounting and Recordkeeping, for guidance on organizing your records.) You are also responsible for resolving any monitoring findings (i.e., findings of non-performance or non-compliance with applicable requirements) in a timely manner.

To assist the grantee in preparing for the monitoring visit, this chapter will discuss what the Department staff will be monitoring to measure compliance with various requirements.

III. COMMON PROBLEMS.

- Disorganized or missing records
- Failure to respond to monitoring findings in a timely manner

IV. DEPARTMENT'S ROLE.

A. General Information:

The Department is responsible for carrying out the State CDBG program for small cities and counties on behalf of HUD. The Department must ensure that the CDBG funds are spent in a timely manner for the purposes for which they were made available, that CDBG-funded activities are carried out in accordance with applicable laws and regulations, and to guard against fraud, waste or mismanagement of funds. The Department must also determine, based on its monitoring reviews, whether grantees have the capacity to carry out future CDBG-funded activities.

To this end, the CDBG staff review your required reports (see Chapter 10, Reporting), and usually visit your offices and the project site(s) to review the activities accomplished and all of your program records. For the field reviews, staff use a series of checklists to review your compliance with contract and other program requirements (see Section VI, Supporting Materials, of this chapter).

After a site review (or in-house review of a planning and technical assistance grant), staff will send you a letter documenting the results of the monitoring and identifying any findings of non-performance or non-compliance with program requirements, and include required and suggested actions to resolve the findings. Staff also provides technical assistance to you and will work with you to resolve any monitoring findings.

B. Overview of the monitoring process

There are five basic steps to any monitoring visit:

1. Notification letter: CDBG begins the monitoring process by calling grantees to explain the purpose of the visit and to agree upon dates for the visit. A formal notification letter will follow prior to the planned visit and will include:
 - confirmation of the dates for the review
 - scope of the monitoring
 - information needed for review during the visit
 - staff persons needed for interviews or assistance during the review
2. Entrance conference: Entrance conference is held at the beginning of monitoring visit, usually with the executive director or other top official of the organization, to make sure the grantee has a clear understanding of the purpose, scope and schedule for the monitoring.
3. Documentation and data gathering and analysis: CDBG staff will keep a record of information reviewed and conversations held with the grantee during the monitoring visit. The information reviewed and obtained will serve as the basis for conclusions drawn from the visit.
4. Exit conference: At the end of the monitoring visit, CDBG staff will meet again with key representatives of the grantee to:
 - present preliminary results of the monitoring
 - provide an opportunity for the grantee to correct any misconceptions or misunderstandings
 - secure additional information, if needed
 - if applicable, provide an opportunity for the grantee to report on steps the organization may already be taking to address areas of noncompliance or nonperformance.

5. Follow-up letter: At the end of the process, CDBG will provide the grantee with formal written notification of the results of the monitoring review. This letter will point out problem areas, and recognize successes. In addition, the monitoring letter creates a permanent written record of what was found during the review. The letter will outline concerns and findings and provide a deadline for written response and corrective actions.
6. Response to monitoring findings: If the follow-up letter identified any concerns or monitoring findings, the grantee must provide the CDBG Program with a written response within 30 days of the date of the letter. (If additional time is needed, a request for an extension must be submitted to the CDBG Program.)

V. REFERENCES.

- 24 CFR 570.492 requires the State to monitor grantees' program activities to ensure program compliance.

VI. SUPPORTING MATERIALS.

1. Monitoring Checklist (Summary) 12-4

Monitoring Checklists:

1. General Compliance 12-7
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3. Real Property Acquisition Procedures..... 12-26
4. Economic Development 12-31
5. Environmental Review 12-48
6. Financial Management 12-56
7. Housing Rehabilitation 12-64
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9. Planning and Technical Assistance Products..... 12-80
10. Procurement 12-83
11. Program Income 12-91
12. Housing Relocation 12-97
13. Business Relocation..... 12-108
14. Lead-Based Paint..... 12-114

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

Summary of Checklists Used

The following checklists were used to monitor this grant on the date(s) indicated above. Those not used (e.g., financial management) were or will be completed at a different time or are not applicable for this grant (indicated by N/A).

_____ 1. General Compliance	_____ 8. Labor Standards
_____ (includes EO)	_____ 9. Planning & Technical Assist. Products
_____ 2. Housing Acquisition	_____ 10. Procurement
_____ Programs	_____ 11. Program Income
_____ 3. Real Property Acquisition	_____ 12. Housing Relocation
_____ Procedures	_____ 13. Business Relocation
_____ 4. Economic Development	_____ 14. Lead-Based Paint
_____ 5. Environmental Review	
_____ 6. Financial Management	
_____ 7. Housing Rehab., inc. Lump Sum	
_____ Drawdown (LSDD)	

Summary of Exit Interview

Persons in attendance:

<u>Name</u>	<u>Title</u>	<u>Organization</u>

Items discussed:

Preparation for Monitoring

Prior to monitoring, CDBG staff should review the project files to determine which checklists are needed (depending on the activities) and what additional questions should be asked to follow up on activities, issues or problems specific to the grant. Make or obtain copies of the applicable checklists and answer any questions you can from your desk review of the files. (Questions that can usually be answered by in-house file review are indicated by an *).

Using the Checklists

Routine questions to answer based on your review of files and/or asking the grantee are in this typeface.

Contract references are in italics.

Items which you can usually answer or complete during your in-house desk review prior to field visit are indicated by an *.

[Comments or directions to CDBG staff are in brackets.]

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

1. General Compliance Checklist

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

Checklist Table of Contents

A.	Work Performance	G.	Recordkeeping
B.	Leverage	H.	Reporting
C.	Meeting National Objectives	I.	Contractors
D.	Citizen Participation	J.	Conflict of Interest
E.	Equal Opportunity	K.	Insurance
F.	Drug-Free Workplace	L.	Signs

(Asterisked items can be completed prior to the monitoring):

***A. Work Performance** (Contract Sec. 8 & 9 and Att. C)

*1. <u>Names of Activities (including Gen Adm):</u>	<u>Budgeted Amount</u>	<u>Expended to Date</u>
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
TOTALS:	\$ _____	\$ _____

Y N *2. Has the grantee met the grant expenditure milestones?

*3. <u>Names of Activities:</u> (see <i>Special Conditions File</i>)	<u>Special conditions</u> <u>clearance date (from letter)</u>	<u>Start</u> <u>Date</u> ¹
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

¹ Obtained during monitoring (e.g., cost incurred; groundbreaking; **loan approval is not considered expended!**. Loans may not be approved and the procurement process must not begin until after environmental clearance.)

*Y N 4. Was program activity started prior to clearance of special conditions? Explain

*Y N 5. Has the Department received any written comments regarding the grantee's program? If yes, explain issues:

***10% Set-aside and Program Income (PI) Activities Amended into Open Grants:**
(Agreements/Amendments File)

*Y N 6. Does the grant award include a 10% set-aside or a PI activity that was amended into the open grant? If yes, describe the activity(ies):

*Y N 7. Is the grantee completing the 10% set aside or PI activity(ies) as described in the original/amended application? If not, explain:

* 8. Which national objective is being met by each activity and how is it to be met?

If not met, explain:

State Objective Points: (for General grants only):

*Y N 9. During the Rating and Ranking of this application was the jurisdiction awarded any State Objective Points?

9a. If yes, for what objectives:

_____ Infrastructure

_____ Worst Case Housing Needs

_____ Welfare to Work/TANF

_____ Farmworker Housing/Health Services

Y N 9b. Is the jurisdiction carrying out the activities for which State Objective Points were awarded? If not, explain:

***B. Leverage:** (*Contract Sec. 12 and Att. C*) (*Loan Tracking File/Reporting File*)

- *Y N 1. Has grantee made the contributions of leverage or match as described in the application and contract? [Check last FAR or any more current grantee records.] (Referenced Report: _____ Report Date: _____)

<u>Leverage/Match Source</u>	<u>\$ Committed</u>	<u>\$ Expended</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTALS:	\$ _____	\$ _____

Explain shortfalls and/or differences in sources from the contract:

- *Y N 2. Has the grantee met the expenditure milestones for their leverage commitment, **where applicable?** (*Contract Attachment C*) Explain:

***C. Meeting National Objectives** (*Contract Sec. 14*) (*CFR 24 Section 570.483 National Objectives and Section 570.482(f)(2)(i) and (ii)*)

- *1. What objective has grantee committed to meet? (For a grant with multiple activities distinguish area benefit from direct benefit)

_____ TIG _____ Slums/blight _____ Urgency

- *2. If the grantee has committed to meet the Slums/blight or Urgency objective, explain how:

To be completed after review of project files:

If meeting the TIG objective, answer the following questions. If not, skip to ***Citizen Participation*** section.

3. Briefly describe method of verifying beneficiaries' income eligibility, and identify any problems: [cross-reference with appropriate income limits by household, summarize third-party income documentation sources, etc. For public services and community facilities, is there documentation of limited clientele or surveys of beneficiaries, where surveys are allowed.]

- Y N 4. If income restricted, were all households or persons served income eligible?

If no, what was TIG percentage relative to percentage stated in the application?

Activity Name

Proposed TIG/Actual TIG

Proposed LTIG/Actual LTIG

- Y N 5. In the case of sewer/water assessments were the LTIG served first? Explain:

- Y N 6. Were TIG beneficiaries charged any inappropriate fees? If yes, explain:

- Y N 7. Is the target area(s) where actual beneficiaries are being served consistent with the target area(s) boundaries stated in the application? (i.e. home address of individual beneficiary and/or address of assisted business, verification that assisted project(s) is within census tract or block group)

If no, explain:

D. Citizen Participation (*Contract Att. B.3. State CDBG Regulations, Article 3, Section 7080; Federal CDBG Regulations, Section 570.431 and 570.486*) (*Public Information Binder*)

Public Information File:

Y N 1. Is there a CDBG public information file available for public inspection during normal business hours? If no, explain:

2 Does the public information file include a copy of:

Y	N	
		State and Federal CDBG Regulations
		NOFA(s) to which grantee applied
		CDBG Grant Application(s) as approved
		Grant agreement as approved and amended
		State Economic Development Advisory Committee Report (ED grants)
		Program Income Reuse Plan
		Program guidelines (if applicable)
		Annual Grantee Performance Reports
		Quarterly Financial Activity Reports (FARs)
		Program Income Reports
		Monitoring and auditing letters and responses
		Notices of public hearings
		List of attendees at public hearings
		Minutes of public hearings
		Written comments and responses regarding program activities
		Environmental Review Record
		Citizen Participation Plan (if posting or publication requirement for public hearings is different than State-recommended 10-day noticing.)

If no, explain deficiencies:

Inviting and Responding to Written Comments:

Y N 3. Are there written comments in the grantee file? Explain:

Y N 4. If yes to #3, has each written comment been responded to in writing by the grantee within a reasonable timeframe (typically 15 working days)?

If no, explain:

Y N 5. Were all written comments that were received and responded to prior to application submittal included in the application? Explain:

Other Grantee Actions:

6. What other actions are being taken by the grantee to ensure citizen participation (i.e., workshops, advisory committees)? *Interview question*

Public Hearings:

Y N 7. a. Was at least one public hearing held during **program design** before preparation of the application? If yes, give dates and answer items b and c;

If no, explain below:

Date of notice:_____ Timing within local policy? Y N

Date of hearing:_____ Within the fiscal year? Y N

7. b. Did the public hearing notice contain all of the following? Discuss deficiencies below:

Y	N	
		Amount of funds available
		All eligible activities
		Hearing time and place
		Availability of public information file
		Invitation and where to submit written comments

7. c. Did the file regarding these public hearings include the following?
Discuss deficiencies below:

Y	N	
		Public Notice/Affidavit of Publication
		List of attendees
		Minutes (describing CDBG activity)

- Y N 8. a. Was at least one public hearing held by the governing body to **approve** **submittal** of the application to the Department? If yes, give dates and answer items b and c; If no, explain below:

Date of notice: _____ Timing within local policy? Y N

Date of hearing: _____ Within the fiscal year? Y N

8. b. Did the public hearing notice contain all of the following? Discuss deficiencies below:

Y	N	
		Amount of funds applying for
		All activities in the application
		Any relocation plan (if relocation is anticipated)
		Hearing time and place
		Availability of public information file
		Invitation and where to submit written comments

8. c. Did the file regarding these public hearings include the following?
Discuss deficiencies below:

Y	N	
		Public Notice/Affidavit of Publication
		List of attendees
		Minutes (describing CDBG activity)

9. a. How much time elapsed between the program design hearing and the application approval hearing? _____

- Y N 9. b. Was this enough time to allow meaningful citizen input (at least 30 days)?
If no, explain:

- Y N 10. Do the minutes of the hearings indicate that the attendees were informed of all of the items in the notice? (If not in minutes, ask staff)
- Y N 11. If a significant number (25% per language) of residents do not speak English, were notices published in the appropriate language(s) **and** were interpreters provided or made available upon request at the hearings? (i.e., interpreters contact list)
- Y N 12. Does the grantee have the list of attendees for each public hearing? If no, explain: If no one signed in or no one attended, grantee should have on file a sign in sheet with a note explaining the attendance (e.g., "no one attended" or "although no sign-ins, two people commented on the CDBG program".)

Other Hearings:

- Y N 13. a. Was a public hearing held prior to submittal of each program guideline amendment OR program income amendment which changes policies, guidelines, standards, or criteria for program implementation or which reallocates more than 10% of total contract amount? If yes, give dates; if no, explain below:

Date of notice: _____ Timing within local policy? Y N

Date of hearing: _____

13. b. Did the public hearing notice contain all of the following?
Discuss deficiencies below:

Y	N	
		A clear description of the proposed amendments to the grant
		Grant number
		Hearing time and place
		Availability of public information file
		Invitation and where to submit written comments

13. c. Did the file regarding these public hearings include the following?
Discuss deficiencies below:

Y	N		
			Public Notice/Affidavit of Publication
			List of attendees
			Minutes (describing CDBG activity)

Y N 14. a. Was a public hearing held prior to submittal of the Annual GPR(s)?
If yes, give dates; if no, explain below:

1.	Date of notice:_____ Timing within local policy? Y N Date of hearing:_____
2.	Date of notice:_____ Timing within local policy? Y N Date of hearing:_____
3.	Date of notice:_____ Timing within local policy? Y N Date of hearing:_____

14. b. Did the file regarding these additional public hearings include the following? Discuss deficiencies below:

1	2	3	
___	___	___	Public Notice/Affidavit of Publication
___	___	___	List of attendees
___	___	___	Minutes (describing CDBG activity)

E. Equal Opportunity Compliance (Contract Att. B) (Policy/National Objective/Reporting Files)

Y N 1. Does the grantee have source documentation (e.g., census data, surveys) on file regarding the program's target area/community residents by race or ethnicity, gender, existence of handicap, and age? If no, ask grantee to produce at monitoring.

- Y N 2. Does the grantee have information on file comparing the applicants and recipients of direct assistance (e.g., rehabilitation loans, job applicants) to the 2000 census demographic data by:

Comparison	<u>List Each Race and Ethnicity Per GPR</u> <u>American Indian, Asian, White, African American, etc.</u>	<u>Single</u> <u>Parents</u>	<u>Disabled</u>	<u>Over 62</u>
1. Jurisdiction	%	%	%	%
2. Applicants	%	%	%	%
3. Recipients	%	%	%	%

- Y N 3. Are there apparent deficiencies in participation by protected groups? If yes, give grantee's explanation:

- Y N 4. Does the Grantee pay staff with CDBG funds, and if so, ensure the Grantee has information on file (for grantees with ten or more employees) comparing 2000 census data race/ethnicity, single parent, disability, and senior for the jurisdiction verses grantee's workforce? If there are apparent deficiencies in participation by protected groups, give the grantee's explanation:

Comparison	<u>List Each Race and Ethnicity Per GPR</u> <u>American Indian, Asian, White, African American, etc.</u>	<u>Single</u> <u>Parents</u>	<u>Disabled</u>	<u>Over 62</u>
1. Jurisdiction	%	%	%	%
2. Employees	%	%	%	%
	%	%	%	%

5. What actions (e.g., outreach; processing; written policies prohibiting discrimination, segregation, or separate treatment) does the grantee take to ensure that CDBG activities are carried out in a manner that does not discriminate against persons on the grounds of race, color, national origin, sex, age, disability or religion? (*Title VI of the Civil Rights Act of 1964, and Section 109 of Title I of the HCD Act of 1974 as amended*) **Interview question**

- Y N 6. Have there been any discrimination complaints? If yes, what was the basis and how has the grantee resolved them? **Interview question**

Y N *7. Did the grantee complete a Section 504 Self-Evaluation? (*Section 504, 24 CFR Part 8*)

Y N 8. Did the Self -Evaluation (*Subpart D, Section 8.51*) include:
(Check all that apply.)

Y	N		
			Communications? (TDD, etc.; <i>Subpart A, Section 8.6</i>)
			Employment? (<i>Subpart B, Section 8.12</i>)
			Program Accessibility? (<i>Subpart C</i>)

If grantee (jurisdiction) has 15 or more employees,

Y	N		
			Designated Responsible Employee? (<i>Subpart D, Section 8.53</i>)
			Notices of Non-Discrimination? (<i>Subpart D, Section 8.54</i>)

Y N 9. If the self-evaluation of Section 504 compliance revealed deficiencies, did the jurisdiction take adequate steps to modify deficient policies and practices or explain why infeasible? Explain: (*Section 504, 24 CFR Part 8 Subpart D Section 8.51(a)(2)*)

Employment (*Policy File*)

Y N 10. Does the grantee have written employment and personnel policies which cover equal opportunity provisions? If no, explain:

Y N 11. Is the grantee required to undertake an affirmative action program because of past compliance problems or court action? If yes, explain what actions have been taken: ***Interview question***

Y N 12. Are there currently any lawsuits or administrative complaints pending due to alleged problems in equal employment opportunity practices? If yes, explain: ***Interview question***

SECTION 3 applies to: 1) the grantee if the grant award exceeds \$200,000 and grant funds are used for either housing rehabilitation, housing construction or public construction.
2) contractors and subcontractors working on these activities where their contract amount exceeds \$100,000. (24 CFR Ch. 1 Part 135, Subpart A, 135.3 570.487(d))

Y N 13. Does Section 3 apply to the grantee? **OR** Does Section 3 apply to any of the grantee's contractors or subcontractors? (If yes, answer questions 13a-13d):

Y N 13. a. Has the grantee submitted an annual Section 3 report (required beginning 95/96)? If no, explain: (24 CFR Ch. 1 Part 135, Subpart E, 135.90)

Y N 13. b. Are the grantee's Section 3 records maintained? Explain: (24 CFR Ch. 1 Part 135, Subpart E, 135.92)

Y N 13. c. Has the grantee filled any employee vacancies in positions involved in working on CDBG activities covered by Section 3? If yes, explain what efforts the grantee has made to offer training and employment opportunities to Section 3 residents: (24 CFR Ch. 1 Part 135, Subpart B, 135.32)

Interview question

13. d. How does the grantee ensure compliance with Section 3 in its operations and compliance in the operations of its contractors and subcontractors? (24 CFR Ch 1 Part 135, Subpart B, 135.32) **Interview question**

Fair Housing: (Federal Register 24 CFR Part 100, Subchapter A, The Fair Housing Act, 570.48((b))

Y N 14. Has the monitoring revealed any discriminatory housing practices? Explain:

Y N 15. Has an administrative procedure been established to receive and refer complaints of housing discrimination to the State Department of Fair Employment and Housing or an appropriate local organization? Explain: (24 CFR Part 103 Subpart B. Section 103.25(a)(3)) **Interview question**

16. What other specific steps is the grantee taking to affirmatively further fair housing? (24 CFR 570.487(b)) **Interview question**

F. Drug-free Workplace Certification (Contract Att. B)

- Y N 1. Has the jurisdiction published and distributed a statement notifying employees that it is unlawful to:
- _____ manufacture,
 - _____ distribute,
 - _____ dispense,
 - _____ possess, or
 - _____ use a controlled substance, and
 - _____ detailed specific actions to be taken against employees for violations, as required by Government Code Section 8355 (b)?

If no, explain deficiencies:

- Y N 2. Has the jurisdiction established a Drug Free Awareness Program to inform employees about all of the following:
- _____ the dangers of drug abuse in the workplace;
 - _____ the organization's policy of maintaining a drug free workplace;
 - _____ any available counseling, rehab., and employee assistance programs;
 - _____ penalties that may be imposed upon employees for drug abuse violations.

Explain any deficiencies:

- Y N 3. Has the jurisdiction, as required by Government Code Section 8355 (c), insured that every employee who works under this contract:
- _____ received a copy of the grantee's drug free policy statement; and
 - _____ will agree to abide by the terms of the grantee's statement as a condition of employment under this contract.

Explain any deficiencies:

G. Recordkeeping (*Contract Sec. 21; 24 CFR 570.506*)

- Y N 1. Does grantee have a recordkeeping system that includes all of the following:
- ☐ financial,
 - ☐ contractual,
 - ☐ environmental,
 - ☐ performance,
 - ☐ beneficiary,
 - ☐ complaint data, and
 - ☐ budget and approved amendments

Explain any deficiencies noted when monitoring:

H. *Reporting (*Contract Att. C*)

1. Has the grantee submitted the following reports on a timely basis?

Y	N	N/A	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Quarterly FAR
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Annual GPR
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Quarterly PI
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Annual Section 3 Report
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Semi-annual ED
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lump-sum Drawdown
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wage compliance

I. Contractors

- Y N 1. Does the Grantee have information on file for public construction projects regarding construction firm officers/employees by:

<u>Race/Ethnicity</u>	<u>Gender</u>	<u>Handicap</u>	<u>Age</u>

J. Conflict of Interest (*Contract Paragraph 23 & Att. B*)

- Y N 1. Do there appear to be any conflicts of interest with grantee and/or its contractors and public officials? (i.e., do any of the program decision-makers have an interest in or benefit from the work performed under the grant) If yes, explain:
- Y N 2. Does it appear that the grantee used any grant monies to pay a "bonus or commission" for purposes of obtaining State's approval of this or other applications for funding, or any other approvals required under this contract or the State regulations? If yes, explain:

K. Insurance (*Contract Sec. 17*)

- Y N 1. For jurisdiction-owned projects, does grantee have documentation showing current appropriate amounts of insurance coverage (e.g., liability, property)? Explain:

L. Signs (*Contract Sec. 20*)

- Y N 1. If grantee posted signs regarding the financing of the project, did it include CDBG as a funding source? If not, explain why not:

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

2. Housing Acquisition Program Checklist

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

1. Loan Applications:

# Received:	# Approved:	# In Process:	# Completed:
-------------	-------------	---------------	--------------

Affirmative Fair Housing Marketing of Program:

Y N 2. Did the grantee ensure that information about the program was provided to all potential beneficiaries? (Marketing plan with flyers and mailers (Spanish and English where needed) which were distributed widely.)

Y N 3. Were any very low-income families assisted, if so how many? _____

Program Guidelines:

Y N 4. Are the guidelines being used consistent with those submitted to satisfy the special conditions? If not, explain: [Note throughout your monitoring that where grantee's program implementation is inconsistent with its approved program guidelines you'll usually have a monitoring finding.]

Y N 5. Have the guidelines been amended? If yes, has the state staff reviewed and approved the changes? [Obtain a copy if we don't have the amended version.]

File Review:

6. Review a minimum of four randomly selected homebuyer loan files. Use the following matrix form to summarize the basic information, and make additional notes as needed.

NOTE:

For programs that include housing rehabilitation as part of project development, use the housing rehabilitation and lead based paint checklists to ensure program compliance with construction requirements.

Review each loan/grant file for the following items:

<u>CDBG Findings are Bolded and Italicized</u> <u>CDBG Concerns are Normal Text (unless in violation of grantees guidelines)</u> <u>List Four Selected Loan Applicants by Name and Address:</u>	1		2		3		4	
	Y	N	Y	N	Y	N	Y	N
PARTICIPANT ELIGIBILITY								
1. Completed and signed loan application								
2. <i>Documentation of Participant Income Eligibility</i>								
3. <i>Documentation of home buyer eligibility (currently owns no property)</i>								
4. Documentation of Approval for First Mortgage								
5. Documentation of Down Payment and Closing Cost Funds								
6. Certification of home buyer or credit education (optional)								
PROPERTY ELIGIBILITY								
1. <i>Document Property In Jurisdiction or Target Area</i>								
2. Document Proper Zoning of Property								
3. <i>Verification that Unit is Vacant or owner occupied or tenant is purchasing their existing unit (no relocation invoked).</i>								
4. Documentation of unit inspection for any health and safety repairs with termite report and lead-based paint report								

<u>CDBG Findings are <i>Bolded and Italicized</i></u> <u>CDBG Concerns are Normal Text (<i>unless in violation of grantees guidelines</i>)</u> List Four Selected Loan Applicants by Name and Address:	1		2		3		4	
	Y	N	Y	N	Y	N	Y	N
(pre-1978)								
a. Before loan approval								
b. After loan approval when all negative findings are cleared								
LOAN UNDERWRITING								
1. Credit report and Rent verification								
2. Calculation of gap in financing and Subsidy amount								
3. <i>Sales contract with seller disclosures executed and title report</i>								
4. Property Appraisal and debt-to-value test for loan to value check against the limits in the guidelines								
5. Loan committee loan approval signed by all members								
CLOSE OF ESCROW	Y	N	Y	N	Y	N	Y	N
1. Original Escrow Instructions								
2. Alta title insurance policy								
3. <i>Certificate of insurance</i> (with floodplain insurance if in floodplain) showing grantee listed as loss payee								
4. <i>Deed of Trust (recorded)</i>								
5. <i>Promissory Note</i>								
6. Truth in lending disclosure statement								
7. Request for Notice of Default (recorded)								
8. Loan Agreement								
9. Fair Lending Notice								
10. Certified Escrow Closing Cost Statement								

<u>CDBG Findings are <i>Bolded and Italicized</i></u> <u>CDBG Concerns are Normal Text (<i>unless in violation of grantees guidelines</i>)</u> <u>List Four Selected Loan Applicants by Name and Address:</u>	1		2		3		4	
	Y	N	Y	N	Y	N	Y	N
CONSTRUCTION AS PART OF TRANSACTION								
For programs that include CDBG funds for any housing rehabilitation as part of the purchase the following additional monitoring checklists must be completed and attached.								
1. <i>Complete and attach lead-based paint monitoring checklist.</i>								
2. <i>Complete and attach rehabilitation monitoring checklist</i> and check all construction items (contact language, debarred)								

Participant Income Eligibility:

- Y N 7. Are the income requirements consistent with CDBG TIG Income Limits and the income documentation method is consistent with federal regulations and adopted guidelines? If not, describe problems:

Use of Funds:

- Y N 8. Are the loans/grants underwritten and used for the proper subsidies as per the current program guidelines? If not, describe problems:

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

3. Real Property Acquisition Procedures Checklist

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

Briefly describe what acquisition activities are being paid for with CDBG funds? If the funds are being use for home ownership programs/projects, then the short monitoring checklist (Section I) is completed. If the acquisition activities may require the use of eminent domain then the longer checklist in Section II must be completed.

Section I:

ACQUISITION PROGRAM/PROJECT WHERE NO EMINENT DOMAIN INVOKED

Y N 1. Is this an acquisition program/project where a private developer/non-profit or the grantee is using CDBG funds to purchase real property through a voluntary sale?

Y N 2. For each project's sales contract, did the Seller receive a Notice that includes:

_____ A statement that the buyer's have no power of eminent domain or will not use such power and will not acquire the property if the negotiations fail to result in an amicable agreement.

_____ An estimate of fair market value of the property.

Section II:

ACQUISITION PROGRAM/PROJECT WHERE EMINENT DOMAIN IS INVOKED

Y N 1. Is there a file established for each property to be acquired? If not, explain:

- Y N 1. a. As part of the project's development, was there displacement of occupants or reduction in number or size of units on site. If yes, see below:
- _____ If relocation of occupants, complete Relocation Checklist and review relocation plan to confirm proper procedures and benefit determination was followed.
- _____ If demolition or reduction of units or size of units, complete Relocation Checklist.
- Y N 2. Was a "Notice of Decision to Appraise" issued to the property owner(s)? If not, explain:
- Y N 3. Did the "Notice of Decision to Appraise" include:
- _____ A description for a specified public use and a statement that the property is within the boundaries
- _____ A statement that the owner's property may be acquired
- _____ A general description of the property
- Describe any deficiencies:
- Y N 4. Was a "Notice of Land Acquisition Procedures" issued to the property owner(s)? If not, explain:

Y N 5. Did the "Notice of Land Acquisition Procedures" include:

- _____ A description of the public objective of the acquisition and explanation of the relocation benefits available
- _____ An offer to buy any unmarketable remnant should one exist after the acquisition
- _____ A statement that should the owner not be satisfied with the offer, they will be given an opportunity to present additional information for use in determining the compensation, and if voluntary agreement on terms can't be reached, the grantee will start condemnation or abandon the acquisition
- _____ A statement that if the grantee allows the owner to remain as a tenant on a short term basis, the rent will be within the financial means of the occupant and in no event higher than fair market?
- _____ A statement that no person will be required to move without receiving a 90-day written notice

Describe any deficiencies:

Y N 6. Was an appraisal done on the property? If no, why not:

Y N 7. If yes to # 6, does the appraisal discuss the various methods of and establish a value for the property?

Y N 8. Was a contract executed for the appraisal? If not, explain:

Y N 9. Was an "Invitation for Property Owner to Accompany an Appraiser" issued? If not, explain:

Y N 10. Was a "Review of Appraisal Report" done? If not, explain:

Y N 11. Is the appraisal acceptable to establish just compensation? If not, explain:

Y N 12. Did the grantee provide the owner with a "Statement of Basis for Determining Just Compensation"? If not, explain:

Y N 13. Was a written "offer to purchase" issued to the owner? If not, explain:

Y N 14. Was a "contract of sale" entered into, and is a copy in the file? If not, explain:

Y N 15. Was a "Statement of Settlement Costs" issued to the owner? If not, explain:

Y N 16. If acquisition was terminated, was a "Notice of Intent Not to Acquire" issued to the owner? If not, explain:

Y N 17. Was it issued no more than 10 days after the decision not to acquire? If not, explain:

Y N 18. Does the grantee have copies of the appropriate recorded deeds on file? If not, explain:

Y N 19. Does the grantee have in the file documentation that the owner received each required notice?

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

4. Economic Development Checklist

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

GRANTEE PORTFOLIO ACTIVITIES
NATIONAL OBJECTIVE AND PUBLIC BENEFIT

(570.483 and 570.482(f)(2)(i)) (National Objective/Public Benefit File, Reporting File)

(Asterisked items to be completed prior to the monitoring)

Business Loans and Infrastructure in Support of Business Development:

- *1. Identify national objective, if other than principally benefiting members of the TIG.
2. If the national objective being met by the activity is the elimination of slums and blighting conditions, how did the grantee adequately document the slum or blighted condition being remedied by the CDBG activity?
3. If the national objective being met by the activity is Urgency, how did the grantee adequately document the need being remedied by the CDBG activity?
4. Describe any changes in job creation or target area benefit subsequent to execution of the grant agreement.
5. Percentage of the jobs verified and filled by targeted income group persons _____% .
Describe income screening and verification method.

Income Screened for family _____	Total _____ % TIG
Verified for family income _____	Total _____ TIG

Public Benefit (i.e., jobs created or retained)

- a. cost/job _____
- b. activity: _____ OTC loan, _____ infrastructure aggregate, _____ EF portfolio aggregate
(check one)

EMPLOYMENT AND PROCUREMENT PLAN: *(Special Conditions/Loan Closing Files)*

- Y N *1. Is there an **Employment Plan Agreement** which has been executed by the jurisdiction, and the income screening agency? *(24 CFR 570.506(b)(5))*

Check all that apply:

- _____ *2. **Employment Plan Agreement** acknowledges the Grantee's responsibility to monitor and document the employment information,
- _____ *3. **Employment Plan Agreement** specifies procedures for screening for family income of existing employees and verifying the household income of new hires,
- _____ *4. A **Three-party Employment Agreement** is attached to and referenced within each Loan Agreement,
- _____ 5. Each ***executed* Three-party Employment Agreement** includes: *(24 CFR 570.506(b) (5), (6), and (7))*:
- _____ a. separate copy signed by the Grantee, the screening and referral agency, and each business.
- _____ b. commitment by the business that all jobs will be created within 30 months of the date of the grant agreement.
- _____ c. statement that at least 51% of all jobs created or retained on a full-time equivalent basis, will be held by TIG members.
- _____ d. listing by job title of the permanent jobs projected to be filled by members of the TIG
- _____ e. commitment to periodic reporting (at least quarterly) listing permanent job holders, by job title, TIG, ethnicity/race, handicapped status, and gender.
- _____ f. description of employee income verification process.

INCOME VERIFICATION METHOD: *(National Objective/Public Benefit File)*

1. How was TIG family income verified (i.e., monthly or quarterly reporting by workforce development agency, consultant, city/county)?
1. a. Who is responsible for screening income of job applicants (grantee or workforce development agency)?

1. b. Are HUD or WIA income guidelines being used? Which?
1. c. Where are records of employee income verification maintained?
1. d. Are records accessible?
1. e. ____% of job holders screened and income verified by grantee or agency.
1. f. ____% of screened job holders that are verified TIG.
1. g. For beneficiaries of target area, identify procedure(s) for verifying TIG household income.
1. h. Is income documentation adequate? (51% of job holders verified as TIG income eligible)

- Y N 2. Has an employment training program been used?
- a. What kind of training was provided?
 - b. Who has benefited from the training? (List # of employees and job description.)
 - c. Did training qualify them for the job or for a promotion?

ENTERPRISE FUND SUMMARY, (To accompany National Objective/Public Benefit Section of Checklist)

1. Applications for loans:

# Received	# Approved	# In Process	# Completed
------------	------------	--------------	-------------

2. Marketing of Enterprise Fund Program:

How did the grantee ensure that information about the program was provided to potential beneficiaries?

JOB CREATION AND RETENTION (for the entire loan portfolio): (24 CFR 570.482(f))

- *Y *N 1. Do the Economic Development Progress Reports summarize job creation, ethnicity, gender, and handicapped status for all reported job creation/retention? Summarize below:

Portfolio Job Creation:

- Y N 2. Have all jobs that will directly result from the CDBG-assistance been created (i.e., is it reasonable to assume that no additional jobs will directly result from the activity) as of the date of the monitoring visit?
- a. ____ jobs created/retained to date b. ____ FTE equivalent
- c. ____ months remaining in grant term
3. Describe any extenuating circumstances preventing the grantee from reaching its job creation milestones:
- Y N 4. Are the businesses reporting quarterly on job creation/retention of employees?
- Y N 5. Was there a job follow-up to confirm ongoing 51% benefit hiring ratio?
- If yes, what was the date of the last report _____?

Portfolio Job Retention:

6. When was CDBG assistance first provided to the activity? _____ (mo./yr.)
- Y N 7. Did each loan review confirm that jobs would have been lost without the CDBG assistance? (This should have been covered in the OTC application or Drawdown Checklists under the EF program)
- a. How many jobs were retained? _____
- Y N 8. Was a survey of job holders performed prior to the application for funds to provide evidence of TIG benefit for jobs retained? (document as summarized in application)?
- Y N 9. Were signed self-certifications used for job retention?
- Y N 10. If the grantee relied on job turnover to help meet the 51% minimum, were subsequent hires income verified for TIG benefit? (If no, the TIG jobs requirement has not been met.)

UNDERWRITING DOCUMENTATION (For Loan to: _____)

Y N 1. Are original loan documents from the loan files kept in a fireproof safe?

Y N 2. Is a credit file copy of each loan kept with the general files?

3. Review the grantee's loan file, confirm which of the following items are included, and discuss any deficiencies below. (x-in files, o-missing, n/a-not required)

- _____ Promissory Note(s)
- _____ Signed Loan Agreement
- _____ Loan Servicing Agreement
- _____ Intercreditor Agreement
- _____ Employment Agreement
- _____ Deeds of Trust
- _____ Title Report(s)
- _____ Appraisal
- _____ General Security Agreement
- _____ UCC-1 Filing(s)
- _____ Personal Guarantee
- _____ Corporate Guarantee
- _____ Subordination Agreement
- _____ General Resolution of the Board and Certificate of Secretary
- _____ Opinion of Counsel
- _____ Current Business License
- _____ Life Insurance Policy and Assignment
- _____ Hazard Insurance Policy and Assignment
- _____ Agency reports on repayments
- _____ Agency reports on leverage injection
- _____ Disbursement Receipts
- _____ Loan Review/Credit Analysis
- _____ Financial Statements
- _____ Tax Returns
- _____ Proformas
- _____ Business Plan/Market Analysis
- _____ Current Debt Schedule
- _____ Purchase Contracts for M/E and FF/E using CDBG funds
- _____ NEPA Environmental Clearance and Notices
- _____ Local Permits or Approvals
- _____ Income Verification records for employees (originals)

Deficiencies:

- Y N 7. Have all funding commitments from *leveraged* sources occurred? If no, explain:
- Y N 8. Are amounts provided consistent with the amounts committed to in the application and grant agreement? If no, what events or circumstances caused the variance, and what did the grantee do to overcome the problem?
- Y N 9. Did the grantee meet its drawdown milestones for CDBG funds? If no, what prevented the grantee from meeting the milestones?
- Y N 10. Did the review of records validate the information contained in the last GPR for the activity? If no, what discrepancies were identified?

APPROPRIATENESS DETERMINATION (*For loan to: _____*)
(*Complete a separate determination for each Enterprise Fund loan*)_

Describe any changes in financial condition of borrower, subject to execution of the grant agreement or Enterprise Fund Drawdown Checklist approval.

- Y N 1. For EF loan, was a Document Checklist for Drawdown Approval submitted to the Department?

Dated: _____ Approved: _____

INDIVIDUAL LOAN DOCUMENTATION

Does the loan meet the objectives of the ***HUD UNDERWRITING GUIDELINES*** per the OTC loan review or per evaluation approved through an EF Drawdown Checklist. (Check and summarize all that apply);

- _____ 1. Evaluating and documenting that project costs are reasonable (i.e., cost estimates confirmed by contracts, purchase orders and receipts),
- _____ 2. Documenting that all sources of project financing are committed; through
- a. written verification of lender
- b. written verification of other sources of public/private financing, as listed here:
- _____ 3. Ensuring that, to the extent practicable, **RLF** funds have not been substituted for non-Federal financial support; by
- a. justifying the assistance based on financing gap.
- b. evaluating financing alternatives with and without CDBG assistance.

- _____ 4. Ensuring that the project is financially feasible, by
 - a. evaluating projected operating income and expenses to determine reasonableness of projections
 - b. evaluating company's creditworthiness
- _____ 5. Ensuring that to the extent practicable, the return on the owner's equity investment will not be unreasonably high, by:
 - a. justifying the assistance based on inadequate rate of return
 - b. evaluating industry average rate of return
 - c. evaluating the company's historic rate of return
- _____ 6. That to the extent practicable, **RLF** funds are disbursed on a pro rata basis with other financing provided to the project; and
- _____ 7. Sufficient public benefit will be received from the expenditure of **RLF** funds.

INFRASTRUCTURE GRANT SUMMARY (To accompany National Objective/Public Benefit Section of Checklist)

1. Which national objective is this grant addressing? _____
- *Y *N 2. For an infrastructure grant, is there a fair share allocation plan approved by the Department? If yes, summarize briefly:

*Y *N 2. a. Was a Three-Party Employment Agreement (identifying slums/blight or TIG benefit) negotiated and signed with the initial benefiting business or developer and what were the terms?

*Y *N 2. b. Was a Fair Share Allocation Agreement negotiated and signed with the initial benefiting business or developer and what were the terms?

Y N 2. c. Were Plans and Agreements also negotiated and signed between the initial benefiting developer and his lessees and what were the terms?

Y N 3. Has the developer/business paid the fair share amount in full? If no, what is the payment schedule?
4. What measures has the grantee adopted to ensure TIG benefit from all businesses benefiting from CDBG-assisted infrastructure?
 - a. Describe how cost per job was calculated:
 - b. Describe the income verification method used for TIG jobs created

Y N 4. Was the cost per job less than \$10,000 for infrastructure activities?

\$ _____/job

5. If greater than \$10,000/job, what is the mechanism for ensuring that all future development or businesses hooking into the system will be:

a. meeting the TIG benefit?

b. paying a fair share assessment?

6. List the amount of the equity injection required of the benefiting business as set forth in the grant agreement:

7. Describe the documentation in Grantee's file that confirms that the required amount and form of equity was actually provided by the business:

Amount: _____ Source(s): _____

Documentation: _____

8. Confirmation of Gap: Relative to the proposed sources and uses, what were the actual costs of the project? Describe documentation:

MICROENTERPRISE ASSISTANCE ACTIVITY:

[Note: The "Public Benefit" (cost/job) requirements associated with Business Assistance activities **does not apply** to Microenterprise Assistance activities per 570.481(c) and 570.483(b)(2)(iv-v)]

- Y N 1. Were CDBG funds used to assist owners of microenterprises or persons developing microenterprises? [Note that the Department does not expect that all persons being assisted in developing a Microenterprise will actually start a Microenterprise.]

Under which national objective criteria below did the activity meet the national objective of expanding economic opportunities, principally for low- or moderate-income persons?

- Y N a. Limited Clientele?

Under this option, any person receiving assistance must be income eligible. The program must be designed specifically to benefit a clientele who are generally presumed to be principally low- and moderate-income. Limited Clientele is a national objective criteria and, within the criteria, direct business assistance to microenterprises (existing or potential) and supportive activity are separate subcategories. Job creation is not measurement. A Limited Clientele program cannot qualify for assistance any *Microenterprise* that employs TIG *if the owners are not TIG*. A Limited Clientele program must provide assistance only to TIG-qualified *Microenterprises (existing and potential)* and their TIG-qualified employees.

- Y N b. Job Creation/Retention?

TIG-owned businesses and their employees of 5 or fewer are eligible for assistance. Non-TIG entrepreneurs operating a business with 5 or fewer individuals including themselves, may also be assisted. In either case, at least 51% of the jobs being created or retained (including the income eligible business owner) must be filled by members of the TIG.

- Y N 2. Are 100% of persons and/or businesses assisted under M-E activities screened for TIG eligibility? If no, specify percent screened for eligibility.

3. What percentage of beneficiaries are verified for household income? _____%

Identify method of verification:

Were the funds used for eligible USES as follows:

- Y N 4. Did funds provide credit, including grants, loans, loan guarantees and other financial forms of financial support that will establish, stabilize or expand microenterprises? Identify forms of assistance:
- Y N 5. Did grantee provide technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises? Identify forms of assistance:
- Y N 6. Did grantee provide general support, including peer support programs, counseling, childcare, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises? Identify forms of assistance:
7. List performance outcomes of Microenterprise assistance program:
[Note: Each person or business assisted must meet the national objective of principally benefiting members of the TIG through household income eligibility.]

Number of clients assisted (first time applicants) _____

Number loans made with CDBG funds _____

Number other (non-CDBG) loans made to assisted microenterprises: _____

Other performance indicators as identified in the funded application and guidelines (describe):

8. How does performance compare to projected performance in application?

<u>Projected</u>	<u>Actual</u>
_____ beneficiaries	_____ beneficiaries
_____ trainees	_____ trainees
_____ business startups	_____ business startups
_____ business expansions	_____ business expansions
_____ job creation	_____ job creation
_____ job retention	_____ job retention

Discuss discrepancies:

BENEFICIARY TRACKING PLAN (*Attach Plan*)

Does the **Beneficiary Tracking Plan (BTP)** include:

- Y N 9. a. an income verification process that identifies how the Grantee will ensure that all persons and/or microenterprises assisted meet the TIG benefit requirement?

Describe process (attach intake form):

- Y N 9. b. a description of a recordkeeping system that will provide information on ethnicity/race, handicapped status, and gender of persons receiving assistance?

Describe process:

- Y N 9. c. a procedure for tracking the numbers of persons receiving assistance by type of assistance provided, number of persons entering and completing an entrepreneur training program, number of persons starting a business and receiving other assistance (e.g., loans) under the program.

Describe process: (attach copy of tracking format)

Marketing of Enterprise Fund Program:

10. How did the grantee ensure that information about the program was provided to potential beneficiaries?

BENEFICIARY AND EMPLOYMENT PLAN AGREEMENT: *(Special Conditions/National Objective Files)*

- *Y *N 1. Is there a **Beneficiary Plan Agreement** that has been executed by the jurisdiction, and the income screening agency? (24 CFR 570.506(b)(5))

Check all that apply:

- _____ *2. **Beneficiary Plan Agreement** acknowledges the Grantee's responsibility to monitor and document the client information
- _____ *3. **Beneficiary Plan Agreement** specifies procedures for screening for family income of applicants and verifying the household income of new clients
- _____ *4. A **Three-party Microenterprise Assistance Agreement** where TIG jobs will be created by a microentrepreneur who is not income eligible.

Each *executed* **Three-party Employment Agreement** includes: (24 CFR 570.506(b) (5), (6), and (7)):

- _____ a. separate copy signed by the Grantee, the screening and referral agency, and each business.
- _____ b. commitment by the business that all jobs will be created within 30 months of the date of the grant agreement.
- _____ c. statement that at least 51% of all jobs created or retained on a full-time equivalent basis, will be held by TIG members.
- _____ d. listing by job title of the permanent jobs projected to be filled by members of the TIG.
- _____ e. commitment to periodic reporting (at least quarterly) listing permanent job holders, by job title, TIG, ethnicity/race, handicapped status, and gender.
- _____ f. description of employee income verification process.

INCOME VERIFICATION METHOD: *(National Objective/Public Benefit File)*

1. How was TIG family income verified (i.e., monthly or quarterly reporting by workforce development agency, consultant, city/county)?
 - a. Who is responsible for screening income of job applicants (grantee or workforce development agency)?
 - b. Are HUD or WIA income guidelines being used? Which?
 - c. Where are records of client income verification maintained?
 - d. Are records accessible?
 - e. _____% of applicants screened and income verified by grantee or agency.
 - f. _____% of screened applicants that are verified TIG.
 - g. For beneficiaries of target area, identify procedure(s) for verifying TIG household income.
- Y N 2. Has an employment training program been used?
 - a. What kind of training was provided?
 - b. Who has benefited from the training? (List # of employees and job description.)

- c. Did training qualify them for the job or for a promotion?

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

5. Environmental Review Checklist

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

Activity(ies): _____

(Asterisked items to be completed prior to the monitoring)

*Y *N 1. Did the grantee prepare a Continuation Statement for an ongoing, previously funded project?

*Y *N 1. a. Was proper noticing, as required, conducted under the new funding source?

*Y *N 1. b. Did the grantee submit an MRER for a previously reviewed target area under a Statutory Worksheet?

2. For projects reviewed under this open grant:

Check the level of clearance made for **each** activity (identify which activity, if more than one) and check that the required items were in the grantee's file. Explain any deficiencies. (24 CFR 58)

_____ a. **Exempt from NEPA** (Planning/Technical Assistance) *Part 58.34*

_____ Project description: _____

_____ An *Environmental Finding Form*, marked *Exempt*

_____ A *Form 58.6*

_____ b. **Categorically excluded from NEPA and not subject to 58.5- Part 58.35(b)**

_____ Project description: _____

_____ An *Environmental Finding Form*, marked *Categorically Excluded not subject to 58.5*,

_____ A *Form 58.6*

_____ c. **Exempt from NEPA (where a Categorically Excluded project is converted to exempt) - Part 58.34(a)(12)**

_____ Project description: _____

_____ An *Environmental Finding Form*, indicating the project has converted to exempt status

_____ A *Form 58.6*

_____ A completed *Statutory Worksheet* for an individual activity showing source documentation indicating that all of the statutes, executive orders and regulations were found to be at the primary level of compliance.

_____ Documentation of all consultations made during the environmental review process, including correspondence with the **State Historic Preservation Officer (SHPO)**. The letter to the SHPO should describe the CDBG funded activity and the process of evaluation used to determine Historic or archaeological status.

d. **Categorically Excluded** from NEPA, **subject to 58.5** - *Part 58.35(a)*

Project description: _____

An *Environmental Finding Form*, requiring mitigation and noticing

A *Form 58.6*

A completed *Statutory Worksheet* for an individual activity, showing source documentation, including steps followed to mitigate any secondary level of compliance findings,

OR

A *Minor Rehabilitation Environmental Review Form* for a housing rehab program. (Note: a statutory worksheet is no longer required for reconstructions and a simple Appendix A needs to be completed.)

Any correspondence received **documenting consultation with officials or agencies** contacted in order to comply with items on the Statutory Worksheet or Minor Rehabilitation Environmental Review form.

A copy of the *Notice of Intent to Request Release of Funds* (NOI/RROF) that was published and/or posted and disseminated.

Distribution list for NOI/RROF and/or **proof of publication**

Copies of any **comments received** during the seven-day (7) comment period (10-day period if posted and disseminated) and the grantee's response to those comments.

A copy of the *Request for Release of Funds/Environmental Certification* that has been forwarded to the State.

Did Department wait 15 days to release the funds?

Appendix A for each site-specific rehabilitation within the program area (jurisdiction wide or target area) identified by the MRER. (Note: Most jurisdictions use the Section 106 agreement with SHPO on units less than 50 years old so only units over 50 years old will have letters to SHPO for rehab projects.)

Statutory Worksheet for each site-specific major rehabilitation project or reconstruction within the target area identified by the MRER, necessary noticing and submission of Request for Release of Funds and Certification (if secondary findings).

A letter to and a response from the State Historic Preservation Officer (**SHPO**) or documentation of 30 day comment period. The letter should describe the activity and the process of evaluation used to determine Historic or archaeological status.

_____ If applicable, Environmental Review Record containing all required evidence that the **8-step floodplain process** as described in the GMM (Chapter 3) has been followed?

_____ e. **Environmental Assessment** - Part 58.36)

_____ Project description: _____

_____ An *Environmental Finding Form*, for Environmental Assessment

_____ A *Form 58.6*

_____ A completed *Environmental Assessment* including source documentation of findings and correspondence related to findings.

_____ A copy of the combined *Notice of Finding of No Significant Impact/Intent to Request Release of Funds* that was published, posted and disseminated.

_____ A copy of the **distribution list** and **proof of publication** for the Notice of Finding of No Significant Impact/Intent to Request Release of Funds.

_____ A copy of all **comments received** regarding the Finding of No Significant Impact that were received during the 15-day comment period and the grantee's response to those comments.

_____ A copy of the *Request for Release of Funds/Environmental Certification* that has been forwarded to the State.

_____ Did Department wait 15 days to release the funds?

Y N 3. Did this project require an **Environmental Impact Statement** (EIS)?

Summarize the documentation in the Environmental Review Record (ERR):

Y N 4. Was the Environmental Review Record for all of the above activities available for public review? If not, explain:

Y N 5. Does site visit indicate that an environmental condition or issue that should have been addressed in the Environmental Review Record was overlooked?

Y N 6. Does the environmental document include an adequate description of the entire project and demonstrate that any adverse environmental impacts of the project on the environment and the environment on the project have been considered?

If no, explain:

Y N 7. Does it appear that any omissions were made in doing the environmental review, resulting in a clearly inappropriate level of clearance finding?

If yes, describe:

8. **If a Statutory Worksheet was completed**, check whether there are any secondary findings regarding the following, and respond to subsequent questions as appropriate:

Y N a. **Historic Preservation?**

If yes, did the grantee complete procedures per 36 CFR 800.5? Explain.

Y N b. **Floodplain Management?**

If yes, did the grantee complete and implement the 8-Step decision making process? (Note: projects may be approved within the floodplain if the grantee determines there is no practicable alternative).

Y N

c. **Wetlands Protection?**

If yes, did the grantee complete and implement the 8-Step decision making process? (Note: Projects may be approved if there is no practicable alternative outside the wetland area. However, such activities require a permit from the U.S. Corps of Engineers under provision of the Clean Water Act).

Y N

d. **Coastal Zone Management?**

If yes, did the Coastal Zone Commission or delegated planning commission concur with the grantee and determine that the project is consistent with the applicable Coastal Zone Plan?

Y N

e. **Sole Source Aquifers (Safe Drinking Water Act)?**

If yes, was the EPA consulted regarding the mitigation measures and is there evidence that the mitigation measures are being carried out? Explain.

Y N

f. **Endangered Species?**

If yes, were the appropriate State and Federal agencies consulted regarding identification of species or habitat, necessary mitigation's and other appropriate actions?

Y N

g. **Wild and Scenic Rivers?**

If yes, did the grantee consult with the U.S. Dept. of Interior, National Park Service for resolution and mitigation assistance?

Y N

h. **Air Quality?**

If yes, did the grantee negotiate suitable mitigation measures with the Air Quality Management District or Board?

Y N

i. **Farmland Protection?**

If yes, did the grantee consult with the Dept. of Agriculture, Natural Resources Conservation Service and identify mitigation measures?

Y N

j. **Environmental Justice?**

If yes, is there documentation that the adverse impacts of this project has been avoided or mitigated to the extent practicable?

Y N

k. **Noise?** Identify level:

If yes, have appropriate mitigation measures been incorporated into the project and is there evidence that they are being carried out? Explain:

Y N

l. **Explosive or Flammable Operations?**

If yes, did the grantee mitigate the hazard with the construction of a barrier of adequate size and strength to protect the project from the explosive or flammable hazard?

Y N

m. **Toxic Chemicals and Radioactive Materials?**

If yes, did the grantee consult with the appropriate Federal, State, or local agencies? Have appropriate mitigation measures been incorporated into the project and is there evidence that they are being carried out?

Y N

n. **Airport Clear Zones and Accident Potential Zones?**

If yes, is there documentation that the project will not be frequently used or occupied by people, and has the airport operator provided written assurance that there are no plans to purchase the project site?

*Y *N

9. If an Environmental Assessment (EA) was done did it indicate that the project raises issues regarding any of the following:

_____ Slope stability, unfavorable soil conditions, prime agricultural land, geologic conditions or hazards, or permeability,

_____ Water quality,

_____ Manmade or natural hazards, housing, transportation, public services, utilities, or the urban fabric

Y N

10. If yes to #9 above, have appropriate mitigation measures been identified in the environmental review, and incorporated into the project and is there evidence they are being carried out? (i.e., Was the source documentation credible, traceable and supportive of the factors being evaluated?) Explain:

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

6. Financial Management Checklist

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

A. CASH RECEIPTS

Purpose: To determine whether the grantee has a generally accepted accounting procedures to account for CDBG funds.

Y N 1. Are CDBG cash receipts accounted for separately by grant? Explain:

Y N 2. Does the cash received reported to the Department agree with the grantee's recorded cash receipts? Explain:

B. CASH DISBURSEMENTS

Purpose: To determine whether the grantee's accounting of cash disbursed complies with generally accepted accounting principals; that adequate audit trails have been established; and supporting documents are being maintained.

1. Does the grantee account for CDBG expenditures separately by:

Y N a. Grant?

Y N b. Grant activity? (i.e., Rehab, Program Admin., General Admin.)

Explain:

Y N 2. Are the audit trails in the grantee's records adequate to trace back to the source documents? Explain:

Y N 3. Does the cash disbursed reported to the Department agree with the grantee's records? Explain:

4. Answer the following questions based on your review of the grantee's expenditures:

Y N a. Are the expenditures being charged to the proper activities?

Y N b. Are they eligible CDBG costs?

Y N c. Are source documents maintained to support the charges?

Y N d. Are the costs budgeted?

Explain:

Y N 5. If the grantee is charging an indirect cost rate to the grant, has the rate been approved by the State Controller's office? Explain:

6. If the grantee is charging directly allocable costs to the grant, answer the following questions:

Y N a. Is the method used to allocate the cost reasonable?

Y N b. Is the cost allocation plan supportable?

Y N c. Does the allocation plan distribute costs equitable for the benefits received?

Explain:

C. RESIDENTIAL REHABILITATION LOAN ACCOUNT

Purpose: To determine if the residential rehabilitation loan account is being properly administered.

- Y N 1. Have funds in the residential rehabilitation account been used for any unauthorized purposes? Explain:
- Y N 2. Has interest earned on the residential rehabilitation account been returned to the State? Explain:
- Y N 3. Have unspent funds in the residential rehabilitation account been returned to the grantee's program account and used for other loans? Explain:
- Y N 4. Have all deposits to the residential rehabilitation account been based on approved loan amounts? Explain:
- Y N 5. Does the grantee treat the deposits to the residential rehabilitation account as a cash disbursement from the program account? Explain:
- Y N 6. Has the required approvals of the rehabilitation work performed by a contractor been obtained prior to disbursing all funds from the residential rehabilitation loan account? Explain:

D. SUBCONTRACTOR COSTS

Purpose: To determine whether the subcontractors are properly invoicing for the services provided to the grant and whether the grantee is properly recording the costs in their books of original entry.

Secure a copy of the contract between the grantee and their subcontractor as a reference. Determine whether the subcontractor is required to substantiate any or all of the costs charged to the grant in order to be in compliance with the terms of the contract.

Y N 1. Are the supporting documentation required by the terms of the contract provide by the subcontractor? Explain:

Y N 2. Does the subcontractor invoice CDBG charges by Grant activity (i. e., Rehab., Program Admin., General Admin., etc.)? Explain:

Y N 3. Does the grantee record subcontractor costs by Grant activity (i.e., Rehab., Program Admin., General Admin., etc.)? Explain:

REPORTING THE STATUS OF CDBG FUNDS

Purpose: To determine whether the grantee is complying with the fiscal reporting requirements of the CDBG program.

Y N 1. Does the grantee maintain records that will reconcile the accrued expenditures reported to the Department to their books of original entry? Explain:

Y N 2. If the subcontractor prepares the financial reports submitted to the Department, does the grantee reconcile the reported amounts to their books of original entry? Explain:

Y N 3. Are the reports submitted within the allowable time frame? Explain:

Y N 4. Is program income used before requesting CDBG funds when applicable? Explain:

F. CASH MANAGEMENT

Purpose: To determine whether the grantee's cash management procedures is adequate to comply with HUD requirements.

Y N 1. Has the grantee's cash balance exceeded the \$5,000 limit allowed by HUD? Explain:

- Y N 2. If the grantee has exceeded the allowable cash limit, do they have a supportable explanation for exceeding? Explain:

G. INTEREST INCOME

Purpose: To determine how the grantee treats income earned from CDBG fund.

- Y N 1. Is interest income and/or revenue earned from CDBG funds returned to the Department at least quarterly? Explain:

H. PROGRAM INCOME

Purpose: To determine whether the grantee is properly accounting for program income earned from CDBG funds.

- Y N 1. Does the most recent Annual Grantee Performance report reconcile to the grantee's fiscal records? Explain:
- Y N 2. Does the grantee account for program income earned from 1993 grants and later as program income regardless if there is a break in CDBG awards? Explain:
- Y N 3. Does the grantee account for program income separately? [Note: It is highly recommended that program income be accounted for separately and not be commingled with other funds.] Explain:

I. INTERNAL CONTROLS

Purpose: To report any weaknesses in the grantee's internal controls that are noted during the review.

Y N 1. Are invoices reviewed and approved by a responsible party(s) prior to payment?

Explain:

Y N 2. Has the review revealed any weaknesses in the grantee's separation of duties?

Explain:

J. GRANTEE'S OVERSIGHT RESPONSIBILITIES

Purpose: To determine if the grantee is performing the required oversight of their subcontractor.

Y N 1. If the grantee's contract with the subcontractor requires the reimbursement of actual costs, does the grantee monitor the subcontractor's records to ensure CDBG costs are properly accounted for and supported by source documents?

Explain:

Y N 2. If the grantee's contract with the subcontractor is a fixed price contract, does the grantee ensure that the terms of the contract are complied with and that the invoiced amounts are prepared in accordance with the payment schedule detailed in the contract? Explain:

Y N 3. If the subcontractor maintains the Residential Rehabilitation Account, does the grantee perform oversight functions to ensure compliance with CDBG requirements? Explain:

K. OTHER

Purpose: To review the other areas not covered earlier in the grantee's financial management system.

- Y N 1. Are fiscal records required to be maintained for a minimum of 3 years after the grant is closed? Explain:
- Y N 2. If subcontractor audits disclose any findings for the CDBG program, does the grantee have a procedure for resolving the findings? Explain:
- Y N 3. Are the amounts reported as match/in-kind adequately supported with the type of source documents required for other expenditures charged to the CDBG program? Explain:
- Y N 4. Are the audit costs charged to the CDBG program properly documented? Explain:
- Y N 5. If the audit costs are a shared cost, is the method used to determine CDBG share of the audit costs reasonable and properly supported? Explain:

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

7. Housing Rehabilitation Checklist

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

Applications:

1.

# Received	# Approved	# In Process	# Completed
------------	------------	--------------	-------------

Marketing of Program:

2. How did the grantee ensure that information about the program was provided to potential beneficiaries? If the grantee's has 25% more non-English speaking persons then did they do bi-lingual flyers and information?

Program Guidelines:

- Y N 3. Are the guidelines being used consistent with those submitted to satisfy the special conditions? If not, explain: [Note throughout your monitoring that where grantee's program implementation is inconsistent with its approved program guidelines, you'll usually have a monitoring finding.]

- Y N 4. Have the guidelines been amended? If yes, when? [Obtain a copy if we don't have the amended version.]

File Review:

5. Review a minimum of four randomly selected rehabilitation loan files, including at least one for a rental property, at least one for pre-1978 lead-based paint, and one for a unit not yet completed). [Use the following forms to summarize the basic information, and make additional notes as needed.]

Review each loan/grant file for the following items:

CDBG <u>Concerns:</u> (unless in violation of grantee's guidelines)		1		2		3		4	
		Y	N	Y	N	Y	N	Y	N
Name of Loan Applicant:									
1.	Completed and signed loan application								
2.	Credit report (amortized loans only)								
3.	Mortgage verification								
4.	Preliminary title report or lot book report								
5.	Appraisal or debt-to-value test								
6.	Request for Notice/Notice of Default for all loans listed on title report								
7.	Documentation of any special circumstances that were considered when approving a loan/grant that do not comply with program guidelines or grant agreement								
8.	Work write-up								
9.	Cost estimate								
10.	Do Sweat equity forms record: a. The type of labor or task, b. Hours worked								
11.	Review all bids submitted for cost reasonableness								
12.	Notice of Completion								
13.	Loan Approvals								

CDBG <u>Findings:</u>	1		2		3		4	
	Y	N	Y	N	Y	N	Y	N
1. Income verification								
2. Floodplain insurance (if in floodplain)								
3. Hazard insurance binder with grantee listed as loss payee								
4. Deed of Trust								
5. Promissory Note								
6. Truth in lending disclosure statement								
7. Notice of right to rescind transaction								
8. Loan Agreement								
9. Fair Lending Notice								
10. Affordability provisions or RLA (if applicable)								
11. Signed lead-based paint notice in the files								
12. Signed construction contract over \$10,000 including: a) equal opportunity provisions, <u>See GMM, Chapter 4</u> b) liquidated damages clause c) cancellation clause for nonperformance d) payment schedule e) "The contractor hereby agrees to abide by the requirements of executive order 11246 and all implementing regulations of the Department of Labor."								
13. Verification of contractor's worker's comp. and liability insurance								
14. Verification of contractor's license and eligibility								
15. Verification that contractor is not debarred								
16. Record of contractor progress payments and payment approvals signed by all parties to the contract								
17. Change orders for any work or costs different from that described in original specs and drawings signed by all parties to the contract								
18. Do the disbursements approximate the loan amount?								
19. Signed copy of building permit (where required)								
20. Appendix A for each rehab or reconstruction with SHPO letter or other back up docs if needed.								
21. Reconstruction checklist or proof of overcrowding if a reconstruction or room addition is done.								

Eligibility:

Y N 6. Are the income requirements consistent with CDBG TIG Income Limits?
If not, describe problems:

7. How is the income verified?

Y N 8. Is there third-party documentation? (letters, forms, etc.)

Y N 9. Are all adult household members' incomes accounted for?

Y N 10. Is current and projected income used? (next 12 months)

Loans/Grants:

Y N 11. Are loans/grants made in accordance with program guidelines? If not, explain:

Defaults/Foreclosures:

Y N 12. Have there been any defaults? If yes, has the grantee handled them according to program guidelines?

Rentals:

Y N 13. Are rental properties being rehabilitated under this grant? If no, skip to #17.

Y N 14. Is the grantee following its guidelines re: rental rehabilitation (i.e., annual review and/or rent limitation agreements)? If not, explain:

Y N 15. Is there an affordability standard equivalent to our rent limitation agreement? (30% of 80%)

Y N 16. Did any projects involve temporary relocation? If yes, complete the relocation

checklist.

Construction Contracts:

17. How are contractors solicited? (pre-bidders list, advertise)

18. Who selects the contractor?

19. What system does the grantee use to ensure timely completion of the work?

_____	Bonds	_____	Time Limits
_____	Contract Language	_____	Progress Payments
_____	Retention	_____	Other: _____

20. If disputes arise, how are they resolved (per program guidelines)?
(i.e., Dispute resolution, mediation, arbitration) Do they require binding
arbitration in the loan agreement.

Y N 21. Does the grantee have standard construction specifications? If not, explain:

Is it included in the bid documents/contract?

Reconstruction:

22. What documentation was used to prove occupancy for a period of time during the
preceding 12 months by a TIG household or ordered vacant by the building
official within the last 6 months?

_____	PG & E	_____	6 mos. Since red tag date
_____	Utilities	_____	Other: _____

Y N 23. Was a test for reconstruction completed properly and in the files?

Y N 24. Was an appraisal completed for after reconstruction value and new construction
value in the area?

On-site Inspections: Using the work write-ups and any change orders as a guide, answer the following:

Y N 26. Does the on-site property inspection confirm that the rehabilitation work was

done according to the rehabilitation contract including any change orders? If not, explain:

- Y N 27. Does the on-site inspection indicate, in your opinion, that the rehabilitation work has been performed up to the program rehabilitation guideline standards?
Explain:
- Y N 28. Were any general property improvements included which are not allowed in the program guidelines? If yes, list those improvements:

Other Requirements:

- Y N 29. Are unused loan funds for each rehabilitation project put back into the loan pool?
(Note: these funds are not program income)
- Y N 30. Has the grantee identified more than one target area in the grant application?
- Y N 31. Has the grantee completed a housing rehabilitation project in each identified target area?

Monitor for Worst Case Housing Needs for the 2001 grants:

- Y N 32. Did this grantee receive State Objective Points for Worst Case Housing? If yes, complete #33 – #36.
- Y N 33. Is this project rental housing?
- Y N 34. Does the project area target at least 25% of the program beneficiaries that are LTIG households who do not receive Federal housing assistance?
- Y N 35. Does the project reduce these beneficiaries' rent and utility costs to below 50% of their gross incomes?
- Y N 36. Does the project benefit persons who live in severely substandard housing?

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING

8. Labor Standards Checklist

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

FILES AND RECORDKEEPING:

1. Name of Labor Standards Coordinator: _____
2. Does the grantee allow access to all labor standards records pertaining to this project, attesting to the administration and enforcement of labor standards?
3. Are the following documents on file with the grantee?

CDBG <u>Concerns</u> :	On file with Grantee	
	Y	N
a. Requests for wage decisions and modifications, e-mail response		
b. Notice of Contract award/Pre-construction conf/Construction start		
c. Completed Wage Table		
d. Minutes of Pre-construction Conference		
e. Correspondence with prime contractor		
f. Copies of payment requests and progress reports		
g. Periodic inspections by grantee		

WAGE DECISIONS:

4. Federal Wage Decision used: _____ 10-day update: _____

5. State Wage Decisions used: _____ 10-day update: _____

_____ 10-day update: _____

_____ 10-day update: _____

_____ 10-day update: _____

6. Did the grantee use an Invitation for Bid to procure the prime contractor? If not, this is a finding which cannot be resolved.

7. Are the following clauses found in the bid package, each contract and subcontract?

CDBG <i><u>Findings:</u></i>	Bid Docs		Prime Contract		Sub Contractor 1		Sub Contractor 2	
	Y	N	Y	N	Y	N	Y	N
a. Federal wage decision								
b. State wage decision								
c. Federal labor standard provisions								
d. State labor standard provisions								
e. Certification of Understanding and Authorization								
f. Certification of labor standards and prevailing wage								
g. Standard bid solicitation language								
h. Female and minority goals and timetables								
i. Suggested minority/women business enterprise clauses for bid docs								
j. Standard contract language								
k. Standard contract language for construction over \$10,000								
l. Standard bid solicitation language								
m. Scope of services								

CDBG <i>Findings:</i>	Bid Docs		Prime Contract		Sub Contractor 1		Sub Contractor 2	
	Y	N	Y	N	Y	N	Y	N
n. Schedule for work completion								
o. Conflict of interest clause								
p. Equal opportunity clause								
q. Provision to maintain worker compensation insurance								
r. Section 3 clause, action plan, and assurance if required								
s. Section 3 clause, action plan, and assurance if required								
t. Records retention clause								
u. Provision for permitting monitoring visits and audits								
v. Provision that subrecipient is responsible for compliance								

8. Are the following additional items found in the contracts

CDBG <i>Findings:</i>	Prime		Sub 1		Sub 2		Sub 3	
	Y	N	Y	N	Y	N	Y	N
a. Budget and payment schedule								
b. Provision for termination for poor performance								
c. Non discrimination clause								
d. Anti lobbying clause								
e. Conflict of interest clause								
f. Provision for maintaining liability, unemployment insurance								
g. Provision for record retention of four years								
h. Provision to permit monitoring and auditing								
i. Provision to permit monitoring for conformity with grant agreement								

9. Review the **file** for the prime and each subcontractor for the following items:

CDBG <i>Findings:</i>	Prime		Sub 1		Sub 2		Sub 3	
	Y	N	Y	N	Y	N	Y	N
a. Verification of debar list check								
b. Verification of license								
c. Verification of performance bond								
d. Verification of payment bond								
e. Signed Certification of Understanding and Authorization								
f. Signed Certification of labor standards and prevailing wage								
g. Employee interviews								
h. Letters authorizing deductions of any kind								
i. Apprentice agreements (if applicable)								
j. Payroll records and statements of compliance for each week								

Discuss any deficiencies:

PAYROLL REVIEW:

5. Identify the classifications used on the project: **Attach and complete table from GMM**

- Y N 6. Have weekly payrolls been submitted promptly and reviewed by grantee? [Look for "date received" stamp on the payroll or contractor correspondence to determine if payrolls have been submitted on a prompt basis. Advise grantee that payroll submissions are required under the Copeland Act.] Explain:
- Y N 7. Are all payrolls numbered sequentially?
- Y N 8. Did payroll #1 start at the same time as start of construction? Check date on Notice of Construction Start form for verification. If not, discuss:
- Y N 9. Are all payrolls signed by the contractor's owner or a corporate officer and does the signature match the signature on the "Certification of Authorization and Understanding"? If not, payroll is not actually certified. The signature on the statement of compliance must be the same signature as what is found on the Certification of Authorization and Understanding.
- Y N 10. If no to #9, is there a second Certification of Authorization and Understanding in the file for the person who is signing them? Discuss:
- Y N 11. Are addresses, names and social security numbers of workers shown on the first payroll on which their names appear? If no, explain:
- Y N 12. Are all work classifications appropriate/consistent with the types of work completed? [Classifications that require special attention include laborers and helpers. Check classification definitions to make certain they appear on the wage determinations.]
- Y N 13. Has item 4(a) or 4(b) regarding fringe benefits on the Statement of Compliance been checked? One or the other must be checked. [If the plan, fund, or program appears questionable, direct the grantee to request further information from the contractor and/or the plan paid.]

Y N 14. Are "other" deduction amounts questionable? Discuss: [The requirements for permissible deductions are contained in *29 CFR Part 3 Sections 3.5 and 3.6*. The deductions outlined in Section 3.6 (other than those required by law) require written authorization from the workers. This written authorization should be in the file.]

Y N 15. If there are split classifications, have daily time records been kept to document the hours worked in each classification? If no, explain:

Y N 16. Is a payroll form other than WH 347 being used? If yes, describe:

Y N 17. If yes to # 16, is a completed Statement of Compliance being used and in the file? (If the contractor is using computer payrolls, all computer codes should be clearly recognizable and the computer payroll must show all information required.)

For the following questions, randomly select five workers from each contractor and subcontractor, including the prime. Cover a variety of pay periods and review for appropriate wage rates. If all five check out, move on to the next contractor's payroll. Where the compliance rate is less than 80% (fewer than four out of five are appropriately paid) redirect the labor standards coordinator to review all certified payroll for that contractor a second time. Note discrepancies and compute restitution. Restitution will be required in order to resolve the finding.

Y N 18. Do the wage rates on the payrolls equal or exceed the rates on the decision? If no, has there been wage restitution? Discuss:

Underpayments <u>Findings:</u>						Prime		Sub 1		Sub 2		Sub 3	
Contractor	-	Worker	-	Period	-	Rate paid	-	Correct rate	-				
1													
2													
3													
4													
5													

Underpayments <u>Findings:</u>						Prime		Sub 1		Sub 2		Sub 3	
Contractor	-	Worker	-	Period	-	Rate paid	-	Correct rate	-				
6													
7													
8													
9													
10													

Y N 19. If apprentices/trainees are shown on the payrolls, are they clearly identified as to wage/step percentage?

Y N 20. If apprentices/trainees are shown on the payrolls, does the grantee's file contain:

_____ State or DOL registration

_____ Apprenticeship Agreement

_____ Ratio requirements

Discuss deficiencies:

Y N 21. If classifications are used that are not in the wage decision, is there a document showing that an additional classification was requested from State CDBG or evidence of conforming classifications to existing wage decision classifications, i.e., correspondence between grantee and State CDBG?

Y N 22. Does the file contain letters, memos, etc., that show that frequent and timely reviews were made? If no, explain:

Y N 23. Is overtime paid for hours worked in excess of eight in a day and over 40 in a week? If no, explain:

EMPLOYEE INTERVIEW REVIEW:

- Y N 24. Were employee interviews conducted by the grantee? Discuss:
- Y N 25. Were a representative number of trades covered? Note: if there are twelve painters on the certified payroll, then there must be interviews for two painters. Notes from the labor standards coordinator, showing comparison from interview and certified payroll should also be reviewed.

CONTRACTOR INFO:

- Y N 26. If violations were indicated in the contract enforcement file, was the State notified?
- Y N 28. If violation(s), was action taken to correct the violation? Describe:

SITE INSPECTION:

- Y N 29. For projects still under construction, were each of the following posted on a bulletin board prominently located on the project site which can be seen easily by the workers?

_____ Wage decision?

_____ Notice to Employees?

Discuss any deficiencies:

- Y N 30. Is the grantee prepared to keep all payroll records for at least four years after the final reports are submitted by the Grantee to the Department? If no, discuss:

*Y *N 31. Did the grantee submit a Final Wage Compliance Report or Labor Standards Enforcement Report? If no, discuss:

NOTE TO CDBG REPRESENTATIVE:

INSERT WAGE TABLE

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

9. Planning and Technical Assistance Final Products

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

Y N 1. Did the grantee submit the final products by the end of the contract term?

2. List each final product below. Check Y or N next to each if the final product did or did not match to what was in the approved application and executed contract.

Y N Item # _____
1: _____

Y N Item # _____
2: _____

Y N Item # _____
3: _____

Y N Item # _____
4: _____

Y N 3. Did the final products contain an acknowledgment on the front cover that CDBG funds were used to prepare all or part of the document?

Y N 4. Will the work performed or planned as a result of this grant result in TIG benefit? Give a short description of how:

- | | | | | | | |
|---|---|----|--|---|---|---------|
| | | | CDBG? | Y | N | Unknown |
| | | | Other funding sources? | Y | N | Unknown |
| Y | N | 6. | Did the grantee spend all of its local cash match prior to spending any CDBG funds? | | | |
| Y | N | 7. | Did the grantee choose to procure a contractor/consultant to carry out all or part of the P/TA-funded activities? Explain: | | | |
| | | | If yes to #7, did the grantee submit the following items with the Final Product(s): | | | |
| | | | <input type="checkbox"/> A narrative description of the procurement process used. | | | |
| | | | <input type="checkbox"/> A list of the proposals, received with a dollar amount. | | | |
| | | | <input type="checkbox"/> A copy of the RFP/RFQ used to procure the contractor/consultant. | | | |
| | | | <input type="checkbox"/> Documentation of sole source/single bid approval, if applicable | | | |
| Y | N | 8. | If applicable, did the final product documentation and/or closeout package include an implementation plan for the project funded by this P/TA grant? | | | |
| Y | N | 9. | Did the grantee submit the Notice of Public Hearing held at the end of the grant to notify the public about the accomplishments funded by the grant? | | | |

Additional tasks for Rep. - once final product has been reviewed:

- Y N 1. Acknowledgment letter sent to grantee notifying them final product has been reviewed and approved/disapproved-reasons given with timeline for response.
- Y N 2. If approved, has closeout package been received, including procurement documentation, Notice of Public Hearing, final FAR and Certification of Completion?
- Y N 3. Was closeout memo done and sent to Fiscal? If no, why not?
- Y N 4. P/TA file checklist completed, file transferred to central file area.

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

10. Procurement Checklist

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

(Contract Att. B)

- Y N 1. Is there documentation on file of how the contractors were selected and equipment or supplies procured (i.e. contract, MOU or MOA, subrecipient agreement)? (24 CFR 85.36(b)(9)) Check the files for the following items [some will be N/A depending on procurement method.]

(Each Procurement File)

#1	#2	Ect.
_____	_____	Documentation of price quotes received for items or services procured with small purchase method
_____	_____	Request for Proposals (RFPs) and/or Invitations for Bid (IFBs)
_____	_____	Public notices of RFPs or IFBs
_____	_____	Mailing list of RFP or IFB recipients
_____	_____	All qualification statements, proposals and/or bids received
_____	_____	RFP ratings and documentation of selection process
_____	_____	Documentation of selection for IFB, <u>if lowest bidder not selected</u>
_____	_____	Sole source/single bid justification and approval letters, if applicable
_____	_____	Cost estimates/data used to determine cost reasonableness
_____	_____	Verification of contractor eligibility

(Each Contract File)

_____	_____	Signed contracts and all approved amendments
_____	_____	For all of its contractors and subcontractors, does grantee have documentation showing adequate insurance coverage

Discuss any deficiencies:

Contractors and Subcontractors,-Subrecipients and OGEs. (*Contract Sec. 18*)

- Y N 2. List any contractors (including auditors, loan servicers, consultants, program operators, architects, engineers, construction, but not including individual homeowner rehab. contractors) that receive(d) CDBG funds through this grant. If none, note "none."

Note if grantee has written contract on file and verification of the contractor's license status and federal eligibility (*not debarred*).

		License on file?			Debar check on file?		Contract on file?	
	Contractor:	Y	N	N/A	Y	N	Y	N
1)	_____							
2)	_____							
3)	_____							
4)	_____							
5)	_____							
6)	_____							

- Y N 3. Does each written contract/subrecipient/MOU agreement contain the following items: [check for each contractor as numbered in question 1] (*Contract Sec. 18*)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	
___	___	___	___	___	___	Scope of services to be provided, consistent with the State contract
___	___	___	___	___	___	Identification of intended beneficiaries, if applicable
___	___	___	___	___	___	Schedule for work completion
___	___	___	___	___	___	Budget and payment schedule
___	___	___	___	___	___	Provisions for termination for non or poor performance

<u>Other provisions required regarding:</u>						
___	___	___	___	___	___	Equal opportunity (<i>see Contract Att. B.7; GMM, Chapter 4</i>)
___	___	___	___	___	___	Section 3 (if applicable)
___	___	___	___	___	___	Nondiscrimination (<i>see Contract Att. A.2; GMM, Chapter 4</i>)
___	___	___	___	___	___	Labor standards (<i>see Contract Att. A.2 and B.9</i>)
___	___	___	___	___	___	Anti-lobbying (<i>see Contract Att. B.1</i>)
___	___	___	___	___	___	Conflict of interest (<i>see Contract Att. B.5</i>)
___	___	___	___	___	___	Provisions for maintenance of workers' comp. insurance
___	___	___	___	___	___	Provisions for maintenance of unemployment disability and liability insurance, as required (<i>Contract Paragraph. 18(b)(4)</i>)
___	___	___	___	___	___	Provisions for records retention (min. <u>4</u> yrs.) (<i>Contract Paragraph 21(b)) min 3 years okay until 7/1/03.</i>
___	___	___	___	___	___	Provision permitting monitoring/auditing (<i>Contract Paragraph 21(b)</i>)
___	___	___	___	___	___	Provision that a subrecipient <u>or other governmental entity (OGE)</u> is responsible for compliance with all provisions delegated to it (including items specified above. Attach <u>Subrecipient Checklist</u> from GMM Chapter 2) (<u>suggest we actually incorporate the checklist</u>)
___	___	___	___	___	___	Provision that grantee will monitor for conformity with its State contract

- Y N 4. For construction contracts over \$10,000¹, are all of the following clauses included in the solicitation for bid and contract and subcontracts as applicable? (See GMM Chapter 4 for sample language.) (*Contract Att. B.7(e); 41 CFR Ch. 60-1.5 (a); Exec. Order 11246*). If no, explain deficiencies below:

- ___ Notice of Requirement for Affirmative Action (see GMM, Chapter 4)
- ___ Equal Opportunity Clause (see GMM, Chapter 4)
- ___ Federal Equal Employment Opportunity Contract Specifications(see GMM, Chapter 4)
- ___ MBE/WBE Goals and Timetables (see GMM, Chapter 4)

¹ Homeowner,contractor construction contracts over \$10,000 may substitute the phrase "The contractor hereby agrees to abide by the requirements of executive order 11246 and all implementing regulations of the Department of Labor."

Explain any deficiencies and concerns:

- Y N 5. If yes to #4, does the agreement have all the required E.O. language, cancellation clause for nonperformance, and a payment schedule?

Small Purchase Procurement: (24 CFR 85.36(d)(1))(Procurement File)

- Y N 1. Does the grantee have a written procedure for procuring equipment, supplies and services by a small purchase method? If not, explain:

- Y N 2. If yes to #1, does procedure require the grantee to obtain at least three written or oral bids? If not, explain:

- Y N 3. If the grantee used the small purchase procedure for the purchase of services or equipment that cost at least \$5,000 but not more than \$100,000, were an adequate number of price quotes obtained? Explain:

- Y N 4. Did the grantee perform a cost/price analysis for this procurement transaction? Explain

Requests for Proposals: (Competitive Proposals; 24 *CFR* 85.36(d)(3))

[If the services, materials, or property procured exceeded \$100,000 and a Request for Proposal method of procurement was used, answer the following questions.

Y N 1. Was there public notification of the RFP? If not, explain:

Y N 2. Did the grantee use a prequalified bidders list? If yes, when was that list last updated?

Y N 3. Did the RFP contain a statement of clearly defined deliverables? Explain:

Y N 4. Did the grantee use a documented methodology for evaluating proposals? Explain:

Y N 5. Did the grantee award the contract to the offeror whose proposal, when evaluated using the methodology specified, was the most advantageous to the grantee? Explain:

Y N 6. Did the grantee perform a cost/price analysis for this procurement transaction?
Explain:

Y N 7. Where did the grantee disclose the process for resolution of disputes?
_____ in RFP/RFQ
_____ in other documentation (specify)_____

Y N 8. If there was any apparent conflict of interest involved in this transaction, did the appropriate official remove him/herself from any activity associated with this procurement transaction? Explain:

Sealed Bid Method of Procurement: (24 CFR 85.36(d)(2))

[If the services, materials, or property procured exceeded \$100,000 and a Sealed Bid (Invitation for Bid) method of procurement was used, answer the following questions.]

Y N 1. Was there public notification of the IFB? If not, explain:

Y N 2. Did the grantee use a prequalified bidders list? If yes, when was that list last updated?

Y N 3. Did the IFB contain a statement of clearly defined deliverables? Explain:

Y N 4. Did the grantee select the bidder whose bid was lowest in price? If not, did grantee document its rationale for not selecting this bidder?

Y N 5. Did the grantee perform a cost/price analysis for this procurement transaction? If not, explain:

Y N 6. Where did the grantee disclose the process for resolution of disputes?
_____ in IFB
_____ in other documentation (specify)_____

Y N 7. If there was any apparent conflict of interest involved in this transaction, did the appropriate official remove him/herself from any activity associated with this procurement transaction? Explain:

Noncompetitive Proposals (Sole Source): (24 CFR 85.36(d)(4))

Y N 1. Did the grantee document that this procurement transaction was not feasible under other procurement methods and receive permission from the Department to use the Sole Source method?

Y N 2. Did the grantee document that at least one of the following conditions applied to this transaction? If not, explain below:

____ the item or service was available only from a single source

____ the public exigency or emergency need for the item or service did not permit a delay resulting from competitive proposals

____ after a solicitation of a number of sources competition was deemed inadequate

Y N 3. Did the grantee perform a cost/price analysis for this transaction? Explain:

California Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

11. Program Income Checklist

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

(Asterisked items can be completed prior to the monitoring):

PI Reuse Plan: (24CFR570.489(e); 24CFR570.504)

*Y N 1. Do we have in the Living File the jurisdiction's approved Reuse Plan? (required as of 11/96) If yes, give date latest plan locally approved: _____, and date latest amendment locally approved (if any): _____. If no, obtain from the grant file and put in the living file. Comments:

*Y N 2. Did we review and approve the Reuse Plan? HCD approval date: _____ (Beginning in January 2002, both the ED Rep and the G/NA Rep should review and approve the new or revised PI Reuse Plan.)

Comment:

*Y N 3. Did grantee commit PI to any open grant activities, or "amend" the grant to use program income? If yes, list activities:

Open grant activities using PI:

Additional PI-funded activities
amended into grant:

*Y N 4. If additional PI-funded activities were amended into grant, was the request to amend submitted prior to 12-31-03? If no, explain:

PI Reports:

- *Y N 5. Do we have on file (should be in the living file) Quarterly and Annual PI Reports, and a combined GPR for the RLAs? Give dates and type of most recent reports:

Comments:

- *Y N 6. Were the latest Quarterly and Annual PI Reports and the RLA GPR (if applicable) submitted on time? If no, explain:

- *7. Per the latest Quarterly or Annual PI Report, how much PI is currently on hand?
\$_____ As of (date):_____.

- *Y N 8. Is this reported amount excessive? Explain:

- *9. Per program's historical list of grants awarded, list which grants may be generating PI (e.g., those providing loans or generating income):
Grant numbers:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

- *10. Per the latest Annual PI Report, which grants are listed as generating PI? Highlight any differences from the listing in # 9. Is any explanation given?
Grant numbers:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

- *Y N 11. Do the types of expenditures on the report (RLAs and open grant activities) correspond to the uses allowed in the most recent Reuse Plan? If no, explain:
- *Y N 12. According to the most recent Annual PI Report are at least 51% of the expenditures from each RLA being used for revolving activities? (e.g., loans) If no, explain:

[Note: If less than 51% of the expenditures from an RLA during the July 1 thru June 30 period have been expended for revolving activities, then the fund is not substantially revolving and does not meet the test of being an RLA. Up to 49% of expenditures from an RLA can be used for non-revolving activities including grants, activity delivery and general administration.]

- *Y N 13. Are the administrative expenditures on the Annual PI Report within the 18% limit? (Up to 18% of the jurisdiction's total PI expenditures for the year may be used for general administration of CDBG.) If no, discuss:
- Y N 14. Has the jurisdiction "substantially disbursed" the PI received during the past year?

Grantee's Recordkeeping: (*Accounting Records/System, Program Income Files*)

- Y N 15. Does the jurisdiction have a recordkeeping system for:

Accounting Records/System:

- _____ receipt of PI when initially received
 _____ disbursement of PI when initially disbursed
 _____ receipt and disbursement of PI in RLAs

Program Income Files:

- _____ Overlay compliance for PI-funded activities
 _____ PI Reuse Plans
 _____ PI Reports

_____ Project Files
_____ Program Guidelines for each RLA

Discuss any deficiencies:

16. What is total amount of PI on hand at time of monitoring? (Include all accounts in which program income is kept, e.g., RLAs for housing and ED, and amounts committed to activities that have been associated with or amended into open grants) \$_____. Notice differences from item 7, above.
- Y N 17. Based on the jurisdiction's financial records, does it appear that PI has been disbursed for the activities and amounts in the Reuse Plan? Explain:
- Y N 18. For each PI-funded activity/project, do the jurisdiction's files document compliance with environmental review, labor standards, citizen participation, equal opportunity and other applicable federal overlay requirements? If yes, which? If no, explain: [Use other checklists to-review compliance with overlay requirements.]

Y N 19. Does the jurisdiction have procedures that ensure compliance with CDBG requirements, including: (Discuss deficiencies under each item)

_____ eligible uses of funds

_____ meeting national objective

_____ compliance with federal overlay requirements

_____ maintaining program records (e.g., loan files, EO, labor standards, procurement, etc.)

_____ reporting requirements

Y N 20. Did you use additional checklists to review PI-funded, non-open-grant, activities? Note the activities and checklists used:

Activity or RLA Names:

Checklists completed:

Comments:

Revolving Loan Accounts: (*Program Income Files, Reporting File*)

Y N 21. Are the established Revolving Loan Accounts (RLAs) in agreement with the Reuse Plan? List the names of the RLAs authorized by the Reuse Plan:

If differences, explain:

- Y N 22. Does the jurisdiction maintain a separate set of accounts for each RLA that account for receipt and expenditure of RLA funds? (Ask; no detailed fiscal review.) If no, explain:
- Y N 23. Does the information on the grantee's latest Annual or Quarterly PI Report showing PI receipts and expenditures correspond to the grantee's actual records? Discuss:
- Y N 24. Is the jurisdiction aware that at least 51% of the expenditures from each RLA must be expended for revolving activities (loans) by the end of the each program year, and that it must limit PI expenditures for non-revolving activities to 49% of funds expended each year? Is the jurisdiction on-track for meeting this requirement? If no, explain:
- Y N 25. Is each RLA limited to one CDBG-defined activity, as required? If no, does the jurisdiction have plans to amend its reuse plan to redefine the RLA activity?
- Y N 26. Are the RLA-funded activities different from activities being funded under an open grant? [Note: If RLA activity is same as open grant activity, then RLA funds must be expended on the activity prior to drawing down funds under the grant.]

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

12. Housing Relocation Checklist

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

Name of Specific Program or Project: _____

Residential Anti-Displacement and Relocation Assistance Plan:

- Y N 1. Was a Residential Anti-displacement and Relocation Assistance Plan developed for the above program or project and submitted to the Department?

_____ Date submitted/approved by the Department.
_____ Same as in the grantee's file?

For projects/programs which involved temporary relocation of tenants and owner occupants, please complete the following sections related to URA as implemented with 49CFR Part 24 and Section 104(d) as implemented with 24 CFR 570.488 (c) listed below.

Temporary Relocation of Owner Occupants:

- Y N 1. Did the above referenced programs/projects, caused temporary relocation of owner occupants, e.g. housing rehabilitation?

- Y N 2. Were temporary relocation funds available to owner occupants and if so was there a maximum amount and were the funds available as loans or grants, describe?

- Y N 3. Did eligible households receive the proper amount of relocation funds based on the relocation plan?

4. How many families received temporarily relocation benefit? _____

5. What was the total cost for all projects receiving temporary relocation?
\$_____

Y N 6. Are there any unresolved claims regarding temporary relocation? If yes,
describe:

Temporary Relocation of Tenants:

Y N 1. Were any TIG tenants temporarily relocated because of rehabilitation, demolition
or conversion? (Complete Temporary Relocation form at the end of this
checklist for each tenant household temporarily relocated.)

Y N 2. Were all tenant households notified of their relocation rights prior to or at the
same time as the investor's loan application was submitted for processing?

Y N 3. If tenants were notified of their relocation rights and choose to vacate the unit
prior to construction, was a voluntary move form obtained to document that they
were doing so of their own volition?

Y N 4. If tenants were in the unit after the loan was approved were they given a second
notice of their relocation rights and counseled about their options and assisted in
relocating in cases where they were forced to move because of construction.

Y N 5. Did households receive the proper amount of relocation funds based on the relocation plan?

6. How many families received temporarily relocation benefits? _____

7. What was the total cost for all projects receiving temporary relocation?
\$ _____

Y N 8. Are there any unresolved claims regarding temporary relocation? If yes, describe:

Fill out temporary relocation claim form at the end of this checklist for each tenant relocated.

For projects/programs which involved permanent relocation or replacement housing units or reconstruction of existing units, please complete for all projects as related to Uniform Relocation Act (URA) as implemented with 49CFR Part 24 and Section 104(d) as implemented with 24 CFR 570.488 (c) listed below.

Demolished Housing Units:

Complete this part if any occupied and/or vacant occupiable TIG dwelling units were demolished or converted. **This includes reconstruction of houses.**

Y N 1. Was a Comprehensive Project List or Reconstruction Test completed for each project?

Y N 2. Was there demolition and/or conversion of any units? If yes, how many _____

3. If yes to # 2 above, what activity caused the demolition or conversion?

Y N 4. If there was demolition and/or conversion with permanent displacement of occupants, did the grantee:

- _____ make the action public and
- _____ submit to the state steps necessary under approved anti-displacement and relocation assistance plan
- _____ replace all demolished or converted structures with comparable units
- _____ keep a comprehensive project list of all occupants and the relocation benefits they received

Describe any deficiencies:

Replacement Units:

Y N 1. Does the Grantee have a plan to develop the necessary replacement units, and are they following their plan in the specified timeline?

Y N 2. Have replacement units been developed? If yes, how many _____ and complete the line below for each replacement project.

of original bedrooms _____ , # of replacement bedrooms _____.

Y N 3. If yes, was the number of replacement bedrooms at least equal to the number of bedrooms removed?

Y N 4. Were the replacement bedrooms/units within the same neighborhood (i.e., avoid impacting socio-economic balance of an area)?

- Y N 5. If no to #4, was the chosen area applicable because of statutory priorities? If yes, what are the priorities?
- Y N 6. If the replacement bedrooms did not at least equal in number the removed bedrooms, did the State and HUD approve the reduction?
- Y N 7. Was an exception given, from the State and HUD, for the non-requirement of one for one replacement of units demolished or converted?
- Y N 8. Was there reconstruction of any homes? If yes, answer the following for each reconstruction:
- a. _____ # of bedrooms in original unit,
_____ # of bedrooms in replacement unit .
- Y N b. Did the number of replacement bedrooms at least equal the same number of bedrooms demolished?
- Y N c. If the replacement bedrooms were not at least equal in number, did the State and HUD approve the reduction? If no, explain:

Permanent Relocation:

1. Describe activities that caused displacement and compare relocation activities to relocation plan developed prior to action causing displacement.
- Y N 2. Were any tenants permanently relocated because of demolition or conversion of a dwelling unit occupied by a TIG household? If yes, please complete form PR-91.
- Y N 3. Did the demolition or conversion of a TIG dwelling unit result in the displacement of TIG families? If yes, give detail:
4. How many families were permanently relocated? _____

(Complete form at the end of this document for each family permanently relocated.)

- Y N 5. Did each displaced household receive the proper relocation notices, assistance and benefits? If not, explain:
- Y N 6. Is there a separate case file for each family/household permanently relocated? If not, explain:
- Y N 7. Is there a permanent relocation file at the State CDBG program office? If no, explain:
- Y N 8. Was a Relocation and Real Property Acquisition Report filed for each year that permanent relocation occurred?

Please fill out this form for EACH Temporary Relocation Claim For Tenants.

Name: _____

Address: _____

Apt.#: _____

Date temporarily relocated: _____

Temp. address, if known: _____

Date of return to property: _____

Total relocation benefits: \$ _____

Y N 1. Were they informed of their temporary relocation benefits as listed below in #3?

2. If they received benefits, what was the source of the funds? (e.g., General Administration.)

Y N 3. Did the tenant receive the following benefits:

- _____ Transportation of persons and property up to 50 miles, unless relocation beyond 50 miles is justified;
- _____ packing, crating, unpacking, and uncrating of personal property;
- _____ disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
- _____ storage of personal property, generally not to exceed 12 months, unless the CDBG grantee determines that a longer period is necessary;
- _____ purchase of insurance for the replacement value of personal property in connection with the move and storage;
- _____ replacement value of property lost, stolen, or damaged in moving where insurance covering such loss, theft or damage is not reasonably available and when the grantee is at fault for the lost, stolen or damaged property;
- _____ cost differential between rent of existing unit and temporary unit if any;
- _____ reasonable and necessary costs of security deposits required to rent the replacement dwelling; and
- _____ any costs of credit checks required to rent or purchase the replacement dwelling.
- _____ other costs related to the move;

- Y N 4. Were the tenants given a 90-day notice to move?
- Y N 5. Were they given a 30-day notice to move?
- Y N 6. How many days were they **temporarily** relocated? _____
- Y N 7. Did they elect to move in with family or friends?
- Y N 8. Did they sign a waiver explaining that they knew of their relocation benefits and that they still wanted to move in with family or friends?
- Y N 9. Was the person relocated to a comparable DS&S unit? If the unit was not a comparable DS&S unit, please explain.
- Y N 10. Did they return to the property? If no, where did they move to?
- Y N 11. Was it their choice not to return?
- Y N 12. Were there any appeals of benefits?
- Y N 13. Are all appeals now resolved?
- Y N 14. Did the family elect to use relocation benefits to purchase a home? If yes, were funds paid into an escrow account? Y N Explain:

Please fill out this form for EACH Permanent Relocation Claim

Name: _____

Total # of displacees on this claim: _____

Address: _____

Apt.#: _____

Date permanently relocated: _____

Total relocation benefits: \$ _____

Y N 1. Were they informed of their permanent relocation benefits as listed below:

- _____ transportation of persons and property up to 50 miles, unless relocation beyond 50 miles is justified;
- _____ packing, crating, unpacking, and uncrating of personal property;
- _____ disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
- _____ storage of personal property, generally not to exceed 12 months, unless the CDBG grantee determines that a longer period is necessary;
- _____ purchase of insurance for the replacement value of personal property in connection with the move and storage;
- _____ replacement value of property lost, stolen, or damaged in moving where insurance covering such loss, theft or damage is not reasonably available and when the grantee is at fault for the lost, stolen or damaged property;
- _____ other costs related to the move
- _____ reasonable and necessary costs of security deposits required to rent the replacement dwelling; and
- _____ any costs of credit checks required to rent or purchase the replacement dwelling.

2 If they received permanent relocation benefits, where did the funds come from? (e.g., loan, general administrative)

Y N 3. Was a "Notice of Intent to Displace" sent (by certified mail or hand delivered) to all occupants of property to be purchase?

- Y N 4. Was a Relocation Needs Survey done for each person to be displaced?
- Y N 5. Was a 90-day and 30-day notice to vacate property sent (by certified mail or hand delivered) to each occupant?
- Y N 6. Is a Household Case Record being maintained on each person being displaced?
- Y N 7. Was safe, decent sanitary housing which is functionally equivalent and substantially the same as the acquired unit, found for each household being relocated?
- a. How many comparables were provided to the family? _____
- Y N 8. Is there evidence of referrals to replacement housing and a record of inspection of replacement and referral units in each file?
- Y N 9. Did the grantee determine that "Last Resort Housing" was necessary?
- Y N 10. Was a Replacement Housing Plan developed which includes all of the information found in the Relocation Chapter of the Grants Management Manual?
- Y N 11. Were displacees provided with a maximum choice of replacement housing and provided equivalent benefits without regard to the race, color, religion, national origin, or sex of the displacee?
- Y N 12. Was spatial deconcentration of minorities furthered?

- Y N 13. Is there evidence of receipt and payment of claims?
- Y N 14. Were they relocated with Barney Frank (*Section 104(d)*) Regulations or URA?
- Y N 15. Was the payment of claims made 18 months after the date the displacee received final payment on the property or after they moved, whichever was later?
- Y N 16. Is there a letter of Acknowledgment for Services and Payments Rendered in the file?
- Y N 17. Did the family elect to use relocation benefits to purchase a home? If yes, were funds paid into an escrow account? Y N Explain:
- Y N 18. Were there any appeals of benefits?
- Y N 19. Are all appeals now resolved?
- Y N 20. Were there any controversial or complicated claims? If yes, conduct an on-site visit with the person(s) displaced. Review with displacee person all documentation to assure that relocation procedures were followed.
- Y N 21. Was displaced person given proper relocation guidance?

Department of Housing and Community Development
Community Development Block Grant Program (CDBG)

GRANTEE MONITORING:

13. Relocation Checklist for Economic Development Programs and Projects

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

Name of Specific Project/Program:

Anti-displacement and Relocation Assistance Plan:

Y N 1. Was an appropriate Anti-displacement and Relocation Assistance Plan required because of the possibility of displacement due to the CDBG funds activities?

Y N 2. If a Business Anti-displacement and Relocation Assistance Plan was developed, was it submitted to the department?

_____ Date submitted/approved by the Department.

_____ Same as in the grantee's file?

Summary of Displacement or Relocation Activities:

1. What CDBG funded activities caused the displacement?

Y N 2. Fill in the number of projects which involved relocation or displacement of:

1) Large Businesses _____;

2) Small Businesses _____;

3) Non profits _____;

4) Farms _____.

(Place a number in each blank for number of instances of relocation.)

(Hereafter, Displaced person(s) refers to Business, non-profit, or farm operations.)

3. How many persons were displaced? _____

4. What is the total cost for all relocation activities? \$_____

Y N 5. Were there any controversial or complicated claims? If yes, was an on-site visit conducted with the person(s) displaced.

Y N 6. Was Advisory Services offered to the owner of each business?

Y N 7. Were all business notified of their relocation rights within the appropriate time required by the Uniform Relocation Act?

Specific Displacement/Relocation Activities:

Y N 1. Are there any unresolved permanent relocation claims? If yes, please describe.

2. How many persons received permanent relocation benefits? _____

Y N 3. Were the relocation benefits properly calculated? Check claim forms for accuracy and bids for moving costs.

- Y N 4. Did all persons receive Relocation Advisory Assistance? If no, explain:
- Y N 5. Is there a separate case file for each business permanently relocated? If not, explain:
- Y N 6. Is there a permanent relocation plan on file with the Department? If no, explain:
- Y N 7. Was Relocation and Real Property Acquisition Report filed for each year that permanent relocation occurred?
- Y N 8. Was a "Notice of Intent to Displace" sent (by certified mail or hand delivered) to all occupants of property to be purchase?
- Y N 9. Was a Relocation Needs Survey done for each displaced person?
- Y N 10. Was a 90-day and 30-day notice to vacate property sent (by certified mail or hand delivered) to each occupant?
- Y N 11. Is a Business Case Record being maintained on each person being displaced?

- Y N 12. Is there evidence of receipt and payment of claims?
- Y N 13. Was a Comprehensive List of tenants completed for the project?
- Y N 14. Did any business occupants receive relocation assistance? If so, how many?
- Y N 15. Was each person contacted to determine relocation need prior to starting the project?
- Y N 16. Was a Relocation Payment Plan established and discussed with each person?
- Y N 17. Was a Site Survey conducted to determine or estimate the number, type and size business?
- Y N 18. Was the Appeal Rights explained to the person? If notification not in writing, how were they notified of their rights?

Reestablishment Expenses Payments:

(For Small Business only, which is defined as any business, nonprofit organization or farm that has at least one individual (employee of business owner) and less than 500 persons on site.

- Y N 1. Did the business accept reestablishment payments in addition to Actual moving and Related Expenses Payments?

Fixed Payment (A displaced **Private business** is eligible to choose a fixed payment An alternative to the Actual Reasonable Moving and Related Expenses Payments

- Y N 2. Did the business accept Fixed Payments or the Actual moving and Related Expenses Payments? If the business accepted the Actual moving and Related Expenses Payments complete **Permanent Relocation Claim.**

Appeals:

- Y N 1. Were there any appeals of benefits? If yes, describe:

- Y N 2. Are all appeals now resolved? If yes, describe:

Please fill out this form for EACH Relocation Claim

Name: _____

Address: _____

Date permanently relocated: _____

Total relocation benefits: \$ _____

Y N 1. Did the business receive all its permanent relocation benefits as listed below:

- _____ Transportation of persons and property up to 50 miles, unless relocation beyond 50 miles is justified;
- _____ Packing, crating, unpacking, and uncrating of personal property;
- _____ Disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
- _____ Storage of personal property, generally not to exceed 12 months, unless the CDBG grantee determines that a longer period is necessary;
- _____ Purchase of insurance for the replacement value of personal property in connection with the move and storage;
- _____ Any license, permit, or certification required of the business owner at the replacement location;
- _____ Replacement value of property lost, stolen, or damaged in moving where insurance covering such loss, theft or damage is not reasonably available and when the grantee is at fault for the lost, stolen or damaged property;
- _____ Re-letting signs and replacing stationery on hand at the time of displacement that are made obsolete as a result of the move;
- _____ Professional Services necessary: planning the move of the personal property, moving the personal property, and installing the relocated personal property at the replacement location;
- _____ Actual direct loss of tangible personal property incurred as a result of moving or discontinuing the business, nonprofit organization or farm operation;
- _____ Reasonable cost incurred in attempting to sell an item that is not to be relocated;
- _____ Purchase of substitute personal property;
- _____ Searching for replacement location;
- _____ Reestablishment expenses payment;
- _____ Other costs related to the move.

2. If they received permanent relocation benefits, where did the funds come from? (e.g., loan, general administrative)

Department of Housing and Community Development

Community Development Block Grant Program (CDBG)

**GRANTEE MONITORING:
14. Lead-Based Paint**

Grantee: _____ Contract #: _____

CDBG Rep: _____ Date(s): _____

*** * BEGINNING WITH 2001 CONTRACTS * ***

Interview Questions	
	1. How are recipients informed of lead-based paint dangers? (Classes, EPA/HUD's "Protect your family from lead in your home" pamphlet, other.)
Y N	2. Are LBP costs paid in accordance with the housing rehabilitation guidelines (grants, loans, combination)? Explain:

NOTE: If LBP mitigation work was done on any of the files, proceed to question #4 or #5 as appropriate. If no LBP mitigation work was done on any of the files, proceed to question #3.

3. If no LBP work was performed on any rehabilitation OR acquisition homes, select two files at random and answer the following two questions:		
	File #1:	File #2:
A) Was the house construction completed after 1/1/78? If yes, STOP , you are done with the LBP for this file. Provide proof of age. Use certificate of insurance, final sign off, or occupancy date. If no, go on to Question B below.	Y N	Y N
B) Does the home meet any of the exemptions listed in Chapter 20? List exemption: _____ If the answer is "no," this is a serious finding with potential performance consequences since LBP rules should have been followed. A visual assessment and paint stabilization must be performed. Check <u>ALL</u> files for LBP compliance using questions 3A & 3B.	Y N	Y N

4. FOR LBP WORK IN HOUSING REHABILITATION: If LBP work was performed as part of the rehabilitation, pick one of these files and answer the following questions:

Y N	A) Does the file contain proof of LBP notification, i.e., signed receipt of the pamphlet, “Protect your family from lead in your home?”
Y N	B) FOR RENTALS: Does the file contain proof of receipt of the “Renter’s Lead-Based Paint Disclosure?” (See back of LBP chapter)
Y N Y N	C) 1) If presuming LBP in a home, does the file contain a presumption report? (May use DHS form 8552, <i>Lead Hazards Evaluation Report</i>) 2) Was this notice posted at the site as required?
Y N Y N Y N	D) 1) If using the optional LEAD HAZARD SCREEN , does the file contain proof of the risk assessor’s DHS certification? * 2) Is the LHS in file, using DHS form 8552? 3) Was this notice given to the occupants and posted at the site as required? If the results of the Lead Hazard Screen was negative, then STOP , you are done with this file. If the results are positive, then a risk assessment is required. Continue to E).
Y N Y N Y N	E) 1) Does the file contain proof of the risk assessor’s DHS certification? * 2) Is the risk assessment in file, using DHS form 8552 (Lead Hazards Evaluation Report)? 3) Was this notice given to the occupants and posted at the site as required?
\$_____	F) What was the level of Federal Rehabilitation Assistance? Was it calculated using only hard costs, (including contingencies)? FYI: Rehabilitation “soft costs” such as title, appraisals, LBP mitigation costs, etc. should not be included.
Y N Y N	G) 1) Does the file contain DHS form 8551, <i>Abatement of Lead Hazards Notification?</i> 2) Was this notice posted at the site as required? (This is a Concern, not a Finding)
Y N Y N	H) 1) Does the file contain proof of the DHS certifications/training confirmation for each supervisor and worker on site? * If hard costs are under \$25,000, only work safe training required. DHS training confirmation suitable substitute. 2) If sweat equity was performed, does the file contain copies of the (HUD approved) One Day Work Safe course completion for the homeowners?

Y N	A) Does the file contain the “Seller’s Lead-Based Paint Disclosure” notice which the seller provides to the buyer prior to making the offer? This disclosure addresses any known existing LBP and/or LBP hazards in the house and contains past LBP mitigation actions. It will also state that the purchaser has 10 days to perform a LBP inspection, or that the purchaser has waived that right.
Y N	B) Does the file contain proof of LBP notification, e.g., signed receipt of the pamphlet, “How to Protect Your Family From Lead?”
Y N	C) Does the file contain a copy of the visual assessment? Use DHS form 8552, Lead Hazards Evaluation Report. If report is negative for deteriorated paint, STOP , you are done with this file. If the report is positive for deteriorated paint, go to D).
Y N	D) 1) For paint stabilization, is there proof of the DHS certifications for the supervisor? * 2) Does the file contain documentation of HUD approved, work safe training for each worker, or in the case of sweat equity, the homeowner? DHS confirmation of worker training is a suitable substitute.*
Y N Y N Y N	E) 1) Does the file contain proof of the clearance risk assessor’s DHS certification? * 2) Is the clearance report in file, using DHS form 8552? 3) Was this notice given to the occupants and posted at the site as required? Note: The clearance may be done by the business that did the risk assessment, but it cannot be done by same business entity that performed paint stabilization as it would be a serious conflict of interest).

* Use copy of DHS card or check DHS website by telephone prefix: www.dhs.ca.gov/childlead/html/B40.html.
Cannot use the California State Licensing Board (CSLB) web page as the CSLB does not keep these records.

Y N Y N Y N	I) 1) Does the file contain proof of the clearance risk assessor’s DHS certification? * 2) Is the clearance report in file, using DHS form 8552? If abatement is done, ALSO need DHS form 8551, Abatement of Lead Hazards Notification 3) Was this notice given to the occupants and posted at the site as required? Note: The clearance may be done by the business that did the risk assessment, but it cannot be done by same business entity that performed mitigation as it would be a serious conflict of interest.
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* Use copy of DHS card or check DHS website by telephone prefix: www.dhs.ca.gov/childlead/html/B40.html.
Cannot use the California State Licensing Board (CSLB) web page as the CSLB does not keep these records.

5. FOR LBP WORK IN HOUSING ACQUISITION: If LBP work was performed as part of the acquisition, pick one of these files and answer the following questions.

NOTE: If rehabilitation is involved, other than paint stabilization, complete the Housing Rehabilitation monitoring checklist above.